



STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY

500 Deaderick Street
Suite 850
Nashville, Tennessee 37243
741-2364

Date: November 28 2012

To: HSDA Members

From: Melanie M. Hill, Executive Director

**Re: CONSENT CALENDAR JUSTIFICATION
CN1210-047 – Caris Healthcare, L.P.**

As permitted by Statute and further explained by Agency Rule on the last page of this memo, I have placed this application on the consent calendar based upon my determination that the application appears to meet the established criteria for granting a certificate of need. Need, economic feasibility and contribution to the orderly development of health care appear to have been demonstrated as detailed below. If Agency Members determine that the criteria have been met, a member may move to approve the application by adopting the criteria set forth in this justification or develop another motion for approval that addresses each of the three criteria required for approval of a certificate of need.

At the time the application entered the review cycle on November 1, 2012, it was not opposed. If the application is opposed prior to it being heard, it will be moved to the bottom of the regular November agenda and the applicant will make a full presentation.

Summary—

Caris Healthcare, L.P. operates two separately licensed home care organizations providing hospice services in nineteen counties in West Tennessee. The applicant has applied for a certificate of need to consolidate the operations of the two agencies into one license by adding eleven counties currently served by its agency located in Milan (Gibson County) to the license of its Somerville (Fayette County) agency, which serves eight counties. Both agencies currently serve Madison County. The addition of these counties will not add additional capacity to the service area since Caris Healthcare will surrender the license for the Milan agency. There are currently six to ten hospice providers covering the nineteen county service area. Caris currently employs staff from 10 counties in Tennessee and 1 in Georgia to staff these two agencies. It is anticipated that future branch offices will be opened in the service area. The office in Milan will be retained as a branch office.

After the letter of intent was filed, Agency staff notified Caris Healthcare that it could accomplish the consolidation of the two agencies without having to obtain a certificate of need by having one agency acquire the other but Caris chose to go ahead with the certificate of need application instead.

Executive Director Justification -

Need- Need is demonstrated based upon the applicant's ability to continue to serve the population it presently serves.

Economic Feasibility-The only costs associated with the project are fees associated with the CON fee and legal and administrative fees. This will be funded through the cash reserves of Caris Healthcare, L.P. The consolidation will decrease administrative costs.

Contribution to the Orderly Development of Health Care-The project does contribute to the orderly development of health care since it appears the consolidation will reduce administrative costs without negatively impacting patient care. The consolidation will result in one less hospice provider in the area, which should decrease duplication of services.

I do recommend the following condition should the application be approved:

CONDITION: *The license for Caris Healthcare, Milan will be surrendered simultaneously with the addition of Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion, and Weakley Counties to the license of Caris Healthcare, Somerville.*

Based on these reasons, I recommend that the Agency approve certificate of need application CN1209-047.

Statutory Citation -TCA 68-11-1608. Review of applications -- Report

(d) The executive director may establish a date of less than sixty (60) days for reports on applications that are to be considered for a consent or emergency calendar established in accordance with agency rule. Any such rule shall provide that, in order to qualify for the consent calendar, an application must not be opposed by any person with legal standing to oppose and the application must appear to meet the established criteria for the issuance of a certificate of need. If opposition is stated in writing prior to the application being formally considered by the agency, it shall be taken off the consent calendar and placed on the next regular agenda, unless waived by the parties.

Rules of the Health Services and Development Agency - 0720-10-.05 CONSENT CALENDAR

(1) Each monthly meeting's agenda will be available for both a consent calendar and a regular calendar.

(2) In order to be placed on the consent calendar, the application must not be opposed by anyone having legal standing to oppose the application, and the executive director must determine that the application appears to meet the established criteria for granting a certificate of need. Public notice of all applications intended to be placed on the consent calendar will be given.

(3) As to all applications which are placed on the consent calendar, the reviewing agency shall file its official report with The Agency within thirty (30) days of the beginning of the applicable review cycle.

(4) If opposition by anyone having legal standing to oppose the application is stated in writing prior to the application being formally considered by The Agency, it will be taken off the consent calendar and placed on the next regular agenda. Any member of The Agency may state opposition to the application being heard on the consent calendar, and if reasonable grounds for such opposition are given, the application will be removed from the consent calendar and placed on the next regular agenda.

(a) For purposes of this rule, the "next regular agenda" means the next regular calendar to be considered at the same monthly meeting.

(5) Any application which remains on the consent calendar will be individually considered and voted upon by The Agency.

**HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
DECEMBER 12, 2012
APPLICATION SUMMARY**

NAME OF PROJECT: Caris Healthcare

PROJECT NUMBER: CN1210-047

ADDRESS: 17410 Highway 64
Somerville (Fayette County), Tennessee 38068

LEGAL OWNER: Caris Healthcare, L.P.
9041 Executive Park Dr., Suite 212
Knoxville (Knox County), Tennessee 37932

OPERATING ENTITY: N/A

CONTACT PERSON: Bruce Duncan
615-890-2020

DATE FILED: October 2, 2012

PROJECT COST: \$5,500.00

FINANCING: Cash Reserves

REASON FOR FILING: Add Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley counties to the applicant's service area; upon approval, Caris Healthcare of Milan will surrender license and become a branch office

DESCRIPTION:

Caris Healthcare is a licensed Medicare and Medicaid certified home care organization offering hospice services. The applicant seeks authorization under **Consent Calendar Request** to consolidate two licensed offices located in the West Tennessee grand region into one existing licensed office. The applicant proposes to add the following counties to Caris Healthcare, Somerville (Fayette County) License 613: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley. If the CON is approved, Caris Healthcare Milan (Gibson County) will surrender license number 612 and

become a branch office of Caris Healthcare, Somerville. Caris Healthcare Milan is located at 5120 Telecom Drive, Suite B, Milan, Tennessee and is certified to serve Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Madison, Obion and Weakley counties. Caris Healthcare, Somerville and Caris Healthcare, Milan both share Madison County in their service areas. If this proposed CON is approved, there will be one less hospice provider licensed in Madison County. The applicant states there will be no net increase or change in the counties served as part of this CON request. Per the Project Completion Forecast Chart, the applicant plans to complete the consolidation of the two hospice agencies into one license in February of 2013.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

HOSPICE SERVICES

Need

1. Hospices shall have the capacity to admit new patients in a quantity equal to the sum of:
 - a. 55% of the mean annual number of cancer deaths in the hospice service area during the preceding two years; and
 - b. 12% of the mean annual number of deaths from all other non-traumatic causes in the hospice service area during the preceding three years.
2. New hospices shall be approved for Certificate of Need only if the projected need, as determined by this formula, exceeds existing service levels by 150 or more patients per year.

CON Review Criteria

1. The application shall document the existence of at least one of the following three conditions to demonstrate a need for additional hospice services in an area:
 - a. absence of services by a hospice certified for Medicaid and Medicare, and evidence that the applicant will provide Medicaid- and Medicare-certified hospice in the area; or
 - b. absence of services by a hospice that serves patients regardless of the patient's ability to pay, and evidence that the applicant will provide services for patients regardless of ability to pay; or
 - c. evidence that existing programs fail to meet the demand for hospice services for persons who have terminal cancer or other qualifying

terminal illness.

2. The applicant shall set forth its plan for care of patients without private insurance coverage and its plan for care of medically underserved populations. The applicant shall include demographic identification or underserved populations in the applicant's proposed service area and shall not deny services solely based on the patient's ability to pay.

Exception to the Hospice Formula

The applicant must demonstrate that circumstances exist to justify the approval of a new hospice. Evidence submitted by the applicant must document one or more of the following:

1. That a specific terminally ill population is not being served;
2. That a county or counties within the service area of a licensed hospice program are not being served; and
3. That there are persons referred to hospice programs who are not being admitted within 48 hours (excluding cases where a later admission date has been requested). The applicant shall indicate the number of persons.

If the need for the exception to the hospice formula is justified, then the review criteria above shall also apply.

According to the Guidelines for Growth Need Formula for Hospice Services, there is currently a 3,707 patient surplus in the applicant's nineteen (19) county service area. Since Caris Healthcare Milan (Gibson County) will surrender license number 612 and become a branch office of Caris Healthcare, Somerville, there will not be any impact on the current level of hospice services in the service area.

SUMMARY:

Caris Healthcare states that the primary reason for the proposed change is to consolidate its operations from two (2) separately licensed Hospice agencies into one license. The applicant states the proposed project will create operational efficiencies by reducing expenses without affecting services thereby strengthening the financial feasibility of the Caris Healthcare hospice agency.

Caris Healthcare (Fayette) is currently licensed to serve hospice patients in the following eight (8) counties: Fayette, Hardeman, Haywood, Lauderdale, Madison, McNairy, Shelby and Tipton. A copy of the current service area county map of Caris Healthcare, Somerville and Caris Healthcare, Milan and the

proposed service area is located in Section C-General Criteria-3, Service Area Map.

Per the partnership agreement dated August 4, 2003 that was submitted in the original application, Caris Healthcare, L.P., an active registered Tennessee partnership, is owned by the general partner, National Hospice, Inc. of Knoxville, Tennessee (1%), and two limited partners: NHC/OP, L.P., (74.6%) and Norman McRae, President/CEO (24.40%). Caris Healthcare owns/operates sixteen (16) hospice agencies in Tennessee, eight (8) in South Carolina and one (1) in Virginia. The applicant included a complete list of agencies owned by Caris on pages 25 and 26 of the application.

The State of Tennessee, Division of Health Care Facilities, West Tennessee Regional Office surveyed the Caris Somerville office on December 6, 2011, and the Milan office on January 25, 2011 with no deficiencies cited. Copies of the survey letters are located in the application in Section III-Contribution of Orderly Development, 7c.

The applicant indicates the need criteria are not applicable for consideration of this application due to the fact that the agency is not proposing to add any service area or services to its existing licensed hospice agency when one considers the surrender of the same requested counties from another license.

Based upon population information from the Tennessee Department of Health, the total population of the additional 9-county (Benton, Carroll, Chester, C rockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley) service area subject to this application is expected to increase by approximately 1.7% from 306,979 residents in 2013, including 43,632 residents age 65 and older (14.2% of total population), to 312,227 residents in 2017. The 14.2 percent 65 and older age cohort in the additional service area is slightly higher than the 14.1% Tennessee statewide average in 2013.

According to the Inventory and Utilization attachment provided with the application, the most recent 2011 JAR reported utilization of the applicant and 18 other licensed hospice providers in the proposed new 19-county service area for Caris Healthcare (Somerville) was 6,455 total patients served, including 3,761 Shelby County residents. The applicant's market share for both Caris Healthcare (Fayette) and Caris Healthcare (Somerville) during the 2011 JAR reporting period was approximately 6.3% of total patient volumes. Please note the following table:

Applicant's 2011 Utilization Compared to the Total Utilization of All Providers

County	Caris Healthcare (Gibson) Patients (CY2011)	Caris Healthcare (Fayette) Patients (CY2011)	# Licensed Hospice Agencies/total patients served (2011 JAR)
Benton	1	Not licensed	7 agencies/88 patients
Carroll	28	Not licensed	7 agencies/227 patients
Chester	3	Not licensed	7 agencies/50 patients
Crockett	4	Not licensed	7 agencies/59 patients
Decatur	0	Not licensed	7 agencies/37 patients
Dyer	103	Not licensed	7 agencies/183 patients
Fayette	Not licensed	41	10 agencies/221 patients
Gibson	36	Not licensed	7 agencies/335 patients
Hardeman	Not licensed	23	10 agencies/80 patients
Haywood	Not licensed	18	9 agencies/65 patients
Henderson	6	Not licensed	7 agencies/69 patients
Henry	4	Not licensed	6 agencies/171 patients
Lauderdale	Not licensed	38	9 agencies/108 patients
Madison	28	0	8 agencies/487 patients
McNairy	Not licensed	7	7 agencies/86 patients
Obion	24	Not licensed	5 agencies/188 patients
Shelby	Not licensed	13	9 agencies/3,761 patients
Tipton	n/a	2	9 agencies/189 patients
Weakley	29	Not licensed	8 agencies/151 patients
Total	266	142	6,455 patients

* 2011 JAR data was not available for Mercy Hospice licensed for Chester, Hardeman, and McNairy counties and Unity Hospice Care of Tennessee licensed for Decatur, and Henderson counties.

Per the Projected Data Chart, Caris Healthcare projects that it will provide 24,467 patient days of care resulting in a net operating revenue (NOR) of \$540,544.00 (\$127.82/day) in year one (2013) increasing by approximately 2% to an NOR of \$551,356 (\$130.37/day) in 2014. Medicare revenue is projected to average approximately 92.4% of total gross revenue from all payor sources in year one, followed by commercial insurance/other (4.4%) and Medicaid (3.2%). Expenses for Salaries and Wages represent \$799,358 in Year One, increasing 1.9% to \$815,345 in Year Two. The current staffing of Caris Healthcare Somerville is 11.5 FTE's which will increase to 24.5 FTE's in Year 2 of the proposed project when the Somerville and Milan office is combined. The applicant has provided

tables of the current staffing and proposed staffing in Year 2 of the project on pages 116 and 117 of the application.

According to the Historical Data Chart, the applicant realized favorable net operating income of \$191,083.00 on 12,775 total patient days for the fiscal year of financial operations ending 12/31/11. Review of the applicant's parent company Caris Healthcare, L.P. financial information revealed net income of \$16,436,213 for the 12-month period ending 12/31/2011.

The total estimated Project Cost is \$5,500 which includes \$2,500 for Legal, Administrative, Consultant Fees (Excluding CON Filing Fees) and \$3,000 for the CON filing fee. Funding for the project will be provided from cash reserves of the applicant.

The applicant has submitted the required corporate documentation, real estate lease and requisite demographic information for the applicant's proposed service area. HSDA staff has reviewed these documents. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency's offices at 500 Deaderick Street, Suite 850, Nashville, Tennessee 37243.

Should the Agency vote to approve this project, the CON would expire in two years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, denied or pending applications, or outstanding Certificates of Need for this applicant.

NHC Healthcare has financial interest in this project and others as follows:

Outstanding Certificates of Need

NHC Farragut, CN1111-049A, has an outstanding certificate of need that will expire on April 1, 2014. The CON was approved at the February 22, 2012 Agency meeting for the addition of 10 Medicare SNF nursing home beds to the currently operating 90 beds for a total of 100 nursing home beds. The estimated cost of the project is **\$141,900**. *Project Status: Project completed, approved by the Department of Health Office of plans and construction, and licensed (April 17, 2012). The submission of final cost report is outstanding.*

NHC Healthcare Tullahoma, CN1007-030A, has an outstanding certificate of need that will expire on December 1, 2013. The CON was approved at the October 27, 2010 Agency meeting for the relocation of CN0807-050A comprised of sixty (60) nursing home beds, and the addition of thirty (30) new Medicare certified nursing home beds for a total of ninety (90) nursing home beds from 30 Powers Ridge Road, Manchester (Coffee County), TN to a yet to be addressed site at Cedar Lane and Seventh Street, Tullahoma (Coffee County), TN. The additional thirty (30) nursing home beds are subject to the 125 bed Nursing Home Bed Pool for the July 2010 to June 2011 state fiscal year period. The estimated project cost is **\$14,449,438**. *Project Status: Project in progress: financing secured, site acquired, plans completed and approved by local code officials and THSDA, and under construction.*

The Health Center of Nashville, LLC, CN1107-024A, has an outstanding certificate of need that will expire on November 1, 2014. The CON was approved at the September 28, 2011 Agency meeting for the change of site and relocation of CN1002-007A for the construction of a 150 bed nursing home from 2816 Old Hickory Boulevard, Nashville (Davidson County), TN to an unaddressed site at the intersection of HWY 100 and Pasquo Road, Nashville (Davidson County), TN. The distance is 4.1 miles or nine (9) minutes travel time from the currently approved site to the proposed site. The project is not requesting more beds than originally approved and it will not affect the 2009-2010 Nursing Home 125 Bed Pool. The applicant proposes to certify 75 of the beds as Nursing Facility Level 1 (Medicaid only) and 75 beds as Nursing Home Level 2 (dually certified Medicaid/Medicare), which remains the same as the beds' present certification. The estimated project cost is **\$23,894,100**. *Project Status: Project in progress: Site under contract, Metro approved rezoning to allow NHC's project, engineered site plan in progress, and architectural plans under way.*

NHC HealthCare- Sumner, LLC, CN1108-029A, has an outstanding certificate of need that will expire on December 1, 2014. The CON was approved at the October 28, 2011 Agency meeting for the change of location of previously approved, but unimplemented CONs (CN0702-014AE and CN0808-057AE) for a total of ninety-two (92) bed nursing home to Unaddressed site on Nashville Pike near Kennesaw Blvd on Parcels 22.01 and 24.04 on Sumner County Property Tax Map 1.36, Gallatin (Sumner County), Tennessee. The estimated project cost is **\$17,902,991.00**. *Project Status: 11/28/2012. The Project is in progress: Progress delayed by seven months because the site's seller went into receivership and NHC had to work through the receiver to close the site acquisition on August 23, 2012. Infrastructure under construction, site plan approved November, 2011, final construction plans underway.*

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no Letters of Intent, denied or pending applications, or outstanding Certificates of Need for other health care organizations in the service area proposing this type of service.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME (11/15/2012)

LETTER OF INTENT



LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

2012 OCT -2 11 9:44

The Publication of Intent is to be published in the Jackson Sun, Dyersburg State Gazette, Paris Post -
Intelligencer, The Messenger which is a newspaper (Name of Newspaper)
of general circulation in Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry,
Obion and Weakley, Tennessee, on or before October 10, 2012, for one day.
(County) (Month / day) (Year)

=====

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Caris Healthcare Hospice
(Name of Applicant) (Facility Type-Existing)

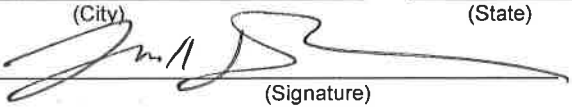
owned by: Caris Healthcare, L.P. with an ownership type of Limited Partnership and to be managed by: Caris Healthcare, L.P. intends to file an application for a Certificate of Need for: the addition of Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley Counties to Caris Healthcare, Somerville License Number 613 (Hospice) located at 17410 Highway 64, Somerville, TN 38068, in Fayette County. If the CON is approved, Caris Healthcare, Milan will surrender license number 612 and become a branch office with the Somerville license. Caris Healthcare, Milan is located at 5120 Telecom Drive, Suite B, Milan Tennessee. Caris Healthcare, Milan is currently licensed and certified to serve Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Madison, Obion and Weakley Counties, but would surrender its license if the proposed certificate of need were issued. Consequently, no net increase in counties served will be realized as part of this CON. Since both referenced Caris agencies have Madison County in their service area, with the surrender of the Milan license, one less hospice provider would be licensed in Madison County. No change to the existing Caris service area is being proposed. The estimated project costs is \$5,500.

The anticipated date of filing the application is: October 2, 2012

The contact person for this project is Bruce K. Duncan Assistant Vice President
(Contact Name) (Title)

who may be reached at: National HealthCare Corporation 100 Vine, Street, 12th Floor
(Company Name) (Address)

Murfreesboro Tennessee 37130 615 / 890-2020
(City) (State) (Zip Code) (Area Code / Phone Number)

 09/21/12 Bduncan@nhccare.com
(Signature) (Date) (E-mail Address)

=====

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

**Health Services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243**

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The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

ORIGINAL APPLICATION

COPY

Caris

Healthcare, L.P.

CN1210-047

October 1, 2012

2012 OCT -2 AM 10:04

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services & Development Agency
Andrew Jackson State Office Building
500 Deaderick Street, Suite 850
Nashville, TN 37243

RE: Certificate of Need Application to consolidate two Hospice Licenses by adding the counties from one licensed office to another. **Caris Healthcare, LP (Hospice) – Consent Calendar Request**

Dear Ms. Hill:

Enclosed please find the required check of \$3,000.00, made payable to the Health Services and Development Agency, to cover the filing fee for the referenced request. The fee has been calculated based on the total project cost of \$5,500/1,000 times \$2.25 which equals \$12.38, but in no case shall the fee be less than \$3,000.00 or more than \$45,000.00.

In addition, pursuant to Certificate of Need Program, Chapter 0720-10-.05 Consent Calendar, Caris Healthcare L.P. would like to request that its referenced project be placed on the HSDA Consent Calendar. By way of justification, the referenced project does not increase or decrease CON covered services and/or service/market area for the applicant. In addition, the project filing fee is minimal and the project will be accomplished with cash on hand.

If you require any additional information or need clarification on any of the supplied material, please do not hesitate to contact me at 615-890-2020.

Sincerely,

NATIONAL HEALTHCARE CORPORATION



Bruce K. Duncan
Assistant Vice President, Planning/Licensure & **Authorized Representative for Caris Healthcare L.P.**

2012 OCT -2 AM 10: 34

CERTIFICATE OF NEED APPLICATION

APPLICANT: **CARIS HEALTHCARE, L.P.**

AUTHORIZED
REPRESENTATIVE: **BRUCE K. DUNCAN
NATIONAL HEALTHCARE CORPORATION
100 VINE STREET, 12TH FLOOR
MURFREESBORO, TN 37130
615-890-2020**

PROJECT: **Addition of Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley Counties to Caris Healthcare, Somerville License Number 613 (Hospice). If the CON is approved, Caris Healthcare, Milan will become a branch office of the Somerville license and surrender its current license number 612, which is certified to serve Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley Counties. Consequently, no net increase in counties served will be realized as part of this CON request.**

**Submitted to
the State of Tennessee
Health Services & Development Agency
500 James Robertson Parkway
Suite 760
Nashville, TN 37219**

October 2, 2012

SECTION A:

1.	<u>Name of Facility, Agency, or Institution</u> <u>Caris Healthcare</u> Name <u>17410 Highway 64</u> Street or Route <u>Somerville</u> City	2012 OCT -2 AM 10: 34 <u>Fayette</u> County <u>Tennessee</u> State <u>38068</u> Zip Code		
2.	<u>Contact Person Available for Responses to Questions</u> <u>Bruce K. Duncan</u> Name <u>National HealthCare Corporation</u> Company Name <u>100 Vine Street</u> Street or Route <u>Authorized Representative</u> Association with Owner	<u>Assistant Vice President</u> Title <u>bduncan@nhccare.com</u> Email address <u>Murfreesboro</u> City <u>615-890-2020</u> Phone Number <u>615-890-0123</u> Fax Number		
3.	<u>Owner of the Facility, Agency or Institution</u> <u>Caris Healthcare, L.P.</u> Name <u>9041 Executive Park Dr., Suite 212</u> Street or Route <u>Knoxville</u> City	<u>865-694-4848</u> Phone Number <u>Knox</u> County <u>Tennessee</u> State <u>37923</u> Zip Code		
4.	<u>Type of Ownership of Control (Check One)</u> <table style="width: 100%; border: none;"><tr><td style="width: 50%; vertical-align: top;">A. Sole Proprietorship _____ B. Partnership _____ C. Limited Partnership <u>X</u> _____ D. Corporation (For Profit) _____ E. Corporation (Not-for-Profit) _____</td><td style="width: 50%; vertical-align: top;">F. Government (State of TN or _____ Political Subdivision) _____ G. Joint Venture _____ H. Limited Liability Company _____ I. Other (Specify) _____ _____</td></tr></table>		A. Sole Proprietorship _____ B. Partnership _____ C. Limited Partnership <u>X</u> _____ D. Corporation (For Profit) _____ E. Corporation (Not-for-Profit) _____	F. Government (State of TN or _____ Political Subdivision) _____ G. Joint Venture _____ H. Limited Liability Company _____ I. Other (Specify) _____ _____
A. Sole Proprietorship _____ B. Partnership _____ C. Limited Partnership <u>X</u> _____ D. Corporation (For Profit) _____ E. Corporation (Not-for-Profit) _____	F. Government (State of TN or _____ Political Subdivision) _____ G. Joint Venture _____ H. Limited Liability Company _____ I. Other (Specify) _____ _____			

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

Caris Healthcare, L.P. has one (1) general partner, National Hospice, Inc. with 1%, and the two limited partners with 5% or more ownership. They are NHC/OP, L.P with 74.6% and Norman McRae with 24.40%. **Please see Attachment "Section A, Applicant Profile - 4 Type of Ownership or Control" located at the end of the CON application on pages 3-26 for a copy of the Limited Partnership Agreement, Certificate of Existence, Organization Chart and Listing of Other Hospice Agencies owned by Caris Healthcare, L.P.**

5. **Name of Management/Operating Entity (If Applicable)**

Not Applicable

Name _____

Street or Route _____

County _____

City _____

State _____

Zip Code _____

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

6. **Legal Interest in the Site of the Institution (Check One)**

A. Ownership _____

D. Option to Lease _____

B. Option to Purchase _____

E. Other (Specify) _____

C. Lease of 3 Years X

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

Please see Attachment "Section A, Applicant Profile - 6 Legal Interest in the Site" located at the end of the CON application on pages 28-47.

7. **Type of Institution (Check as appropriate--more than one response may apply)**

A. Hospital (Specify) _____

I. Nursing Home _____

B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty _____

J. Outpatient Diagnostic Center _____

C. ASTC, Single Specialty _____

K. Recuperation Center _____

D. Home Health Agency _____

L. Rehabilitation Facility _____

E. Hospice X

M. Residential Hospice _____

F. Mental Health Hospital _____

N. Non-Residential Methadone Facility _____

G. Mental Health Residential Treatment Facility _____

O. Birthing Center _____

H. Mental Retardation Institutional Habilitation Facility (ICF/MR) _____

P. Other Outpatient Facility (Specify) _____

Q. Other (Specify) _____

8. **Purpose of Review (Check) as appropriate--more than one response may apply)**

A. New Institution _____

H. Change in Bed Complement _____

B. Replacement/Existing Facility _____

[Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation]

C. Modification/Existing Facility _____

D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify) _____

E. Discontinuance of OB Services _____

I. Change of Location _____

F. Acquisition of Equipment _____

J. Other (Specify) Addition of counties to an existing license. X

G. _____

9. **Bed Complement Data** Not Applicable, Outpatient Hospice service with no licensed beds.
Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Beds Licensed</u>	<u>*CON</u>	<u>Staffed Beds</u>	<u>Beds Proposed</u>	<u>TOTAL Beds at Completion</u>
A. Medical	_____	_____	_____	_____	_____
B. Surgical	_____	_____	_____	_____	_____
C. Long-Term Care Hospital	_____	_____	_____	_____	_____
D. Obstetrical	_____	_____	_____	_____	_____
E. ICU/CCU	_____	_____	_____	_____	_____
F. Neonatal	_____	_____	_____	_____	_____
G. Pediatric	_____	_____	_____	_____	_____
H. Adult Psychiatric	_____	_____	_____	_____	_____
I. Geriatric Psychiatric	_____	_____	_____	_____	_____
J. Child/Adolescent Psychiatric	_____	_____	_____	_____	_____
K. Rehabilitation	_____	_____	_____	_____	_____
L. Nursing Facility (non-Medicaid Certified)	_____	_____	_____	_____	_____
M. Nursing Facility Level 1 (Medicaid only)	_____	_____	_____	_____	_____
N. Nursing Facility Level 2 (Medicare only)	_____	_____	_____	_____	_____
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)	_____	_____	_____	_____	_____
P. ICF/MR	_____	_____	_____	_____	_____
Q. Adult Chemical Dependency	_____	_____	_____	_____	_____
R. Child and Adolescent Chemical Dependency	_____	_____	_____	_____	_____
Swing Beds	_____	_____	_____	_____	_____
S. Mental Health Residential Treatment	_____	_____	_____	_____	_____
T. Residential Hospice	_____	_____	_____	_____	_____
U. TOTAL	_____	_____	_____	_____	_____

*CON-Beds approved but not yet in service

10. Medicare Provider Number 44-1593
Certification Type Hospice

11. Medicaid Provider Number 10066358, 4140760, A3792300
Certification Type Amerigroup, Blue Care, Americhoice

12. If this is a new facility, will certification be sought for Medicare and/or Medicaid?
N/A, existing service.

13. **Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? Yes If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.**

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

Caris Healthcare has Network contracts with the following:

Amerigroup

Blue Care

Americhoice

NOTE: **Section B** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. **Section C** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. **Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.**

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

- I. **Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.**

Proposed Services & Equipment: The proposed project is for the addition of Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley Counties to Caris Healthcare, Somerville License Number 613 (Hospice). If the CON is approved, Caris Healthcare, Milan will surrender license number 612, which is certified to serve Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley Counties. The Milan office would continue to function as a branch office to the Somerville license. Consequently, the project will not add any additional service area or services to the existing licensed hospice agency.

Ownership Structure: Caris Healthcare, L.P. (Limited Partnership)

Existing Service Area: Caris HealthCare, Somerville is currently certified to serve Fayette, Hardeman, Haywood, Lauderdale, Madison, McNairy, Shelby, and Tipton counties.

Need: The applicant is not proposing to add any additional service area or services to its existing licensed hospice agency when one considers the surrender of the same requested counties from another license. Consequently, the Hospice Need methodology found in the Guidelines for Growth 2000, to add additional hospice services will not be affected by this request.

Existing Resources: If a CON is granted, the project can be accomplished through filing the necessary paperwork with CMS at no cost. Therefore, the minimal filing fee of \$3,000 will be incurred to file a CON with the agency along with some legal costs associated with the CON estimated to be \$2,500.

Project Cost: \$5,500

Funding: Cash Reserves

Financial Feasibility: Projected Data Chart demonstrates the project is financially feasible in year one and two moving forward with positive net operating income less capital expenditures.

II Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

- A Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.**

If the project involves none of the above, describe the development of the proposal.

Caris Healthcare L.P. ("Caris") is applying for a Certificate of Need ("CON") to consolidate its operations from two (2) separately licensed Hospice agencies into one license. Specifically, Caris proposed to add the following counties of Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley Counties to Caris Healthcare, Somerville License Number 613 (Hospice). If the CON is approved, Caris Healthcare, Milan will surrender license number 612, which is certified to serve Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Madison, Obion and Weakley Counties. The Milan office will continue to function as a branch office under the Caris Healthcare, Somerville licensed office. Consequently, no net change to the existing service area served by Caris is being proposed. The estimated project cost is \$5,500.

- B Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.**

Not Applicable, the project does not involve beds.

- C. As the applicant, describe your need to provide the following health care services (if applicable to this application):
1. Adult Psychiatric Services
 2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
 3. Birthing Center
 4. Burn Units
 5. Cardiac Catheterization Services
 6. Child and Adolescent Psychiatric Services
 7. Extracorporeal Lithotripsy
 8. Home Health Services
 9. **Hospice Services**
 10. Residential Hospice
 11. ICF/MR Services
 12. Long-term Care Services
 13. Magnetic Resonance Imaging (MRI)
 14. Mental Health Residential Treatment
 15. Neonatal Intensive Care Unit
 16. Non-Residential Methadone Treatment Centers
 17. Open Heart Surgery
 18. Positron Emission Tomography
 19. Radiation Therapy/Linear Accelerator
 20. Rehabilitation Services
 21. Swing Beds
- Not Applicable, the applicant is currently providing hospice service in all the requested service area counties, and is not requesting to add to its net service area or services. This application requests to consolidate two licenses into one with no additional service area to be added.**
- D. Describe the need to change location or replace an existing facility.
- Not Applicable, Caris is seeking to consolidate two licensed offices into one of its existing licensed offices, Somerville, TN. The services provided by Caris are provided in a patient's home.
- E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following: **Not Applicable**
1. For fixed-site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 1. Total cost; (As defined by Agency Rule).
 2. Expected useful life;
 3. List of clinical applications to be provided; and
 4. Documentation of FDA approval.
 - b. Provide current and proposed schedules of operations.
 2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost.
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.

3. Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

- III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which **must** include:
Please see drawing included in the Attachment "Section B, Project Description - III (A) Plot Plan" on page 49 at the end of the application.

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1. Size of site (*in acres*);
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

- (B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

The office is located at 17410 Highway 64, Somerville, TN 38068. Highway 64 west from Somerville connects to interstate 40 which run east to Nashville and west to Memphis. The office location is accessible to the major transportation routes of the county. Neither Fayette County and/or the cities within the county currently have public buses. However, the nature of this service is to deliver care in a patient's home.

- IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: **DO NOT SUBMIT BLUEPRINTS.** Simple line drawings should be submitted and need not be drawn to scale.

Please see drawing included in the Attachment "Section B, Project Description - IV Floor Plan" on page 57 at the end of the application.

- V. For a Home Health Agency or Hospice, identify:

1. Existing service area by County; **Fayette, Hardeman, Haywood, Lauderdale, Madison, McNairy, Shelby, and Tipton**
2. Proposed service area by County; **Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion, Weakly along with the existing counties of Fayette, Hardeman, Haywood, Lauderdale, Madison, McNairy, Shelby, and Tipton.**
3. A parent or primary service provider; **Fayette County (Current Parent Office)**
4. Existing branches; and **None**
5. Proposed branches. Existing Milan licensed office will become a branch.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

1. **Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.**
 - a. **Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.**
 - b. **Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c) N/A**

The applicant is currently licensed to provide hospice services in all of the requested counties and proposes to add counties from one licensed office to another licensed office, both owned by the same licenseholder and surrender the Caris license for its Milan license. Consequently, no net increase in counties served will be realized.

The following has been taken from the Tennessee's Health Guidelines for Growth, Criteria and Standards for Certificate of Need, 2000.

Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.

While this principle focuses mainly on the goals and strategies that support health policies and programs at the individual, community, and state level that will help improve the health status of Tennesseans, This project is consistent in that it supports a continuum of care model where patients are allowed to elect to follow a palliative care path for end of life diagnoses. Hospice care provides patients a choice to live their final days of life in the least restrictive and least costly option available.

2. Access to Care

Every citizen should have reasonable access to health care.

Caris hospice care serves patients that are both Medicare and/or Medicaid qualified beneficiaries seeking hospice services.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system.

The proposed project speaks to the very heart of this principle at several levels. First, the proposed project takes two existing licensed hospice agencies and replacing them with one license without adding any additional capacity in the market area. As accountable care organizations (ACO) begin to develop, with an eye to economic efficiencies and competitive markets, the state's health care system will begin to reshape itself. Projects such as this one will enable the state's health care system to control cost to the extent possible by making sure patients utilize services at the lowest level and cost possible.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers.

Caris, as a hospice provider, is surveyed both at the State and Federal level. Caris compares favorably, both at the State level and the national level, regarding hospice care measurements. Caris also has favorable satisfaction score.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.

Caris is consistent with this principle and has a long outstanding history with developing, recruitment and retention of a quality health care workforce.

HOSPICE SERVICES

NEED

1. Hospices shall have the capacity to admit new patients in a quantity equal to the sum of:
 - a. 55% of the mean annual number of cancer deaths in the hospice services area during the preceding two years; and
 - b. 12% of the mean annual number of deaths from all other non-traumatic causes in the hospice service area during the preceding three years.
2. New hospices shall be approved for Certificate of Need only if the projected need, as determined by this formula, exceeds existing service levels by 150 or more patients per year.

CON REVIEW CRITERIA

1. The application shall document the existence of at least one of the following three conditions to demonstrate a need for additional hospice services in an area:
 - a. absence of services by a hospice certified for Medicaid and Medicare, and evidence that the applicant will provide Medicaid and Medicare certified hospice in the area; or
 - b. absence of services by a hospice that serves patients regardless of the patient's ability to pay, and evidence that the applicant will provide services for patients regardless of ability to pay; or
 - c. evidence that existing programs fail to meet the demand for hospice services for persons who have terminal cancer or other qualifying terminal illness.
2. The applicant shall set forth its plan for care of patients without private insurance coverage and its plan of care of medically underserved populations. The applicant shall include demographic identification or underserved populations in the applicant's proposed service area and shall not deny services solely based on the patient's ability to pay.

EXCEPTION TO THE HOSPICE FORMULA

1. The applicant must demonstrate that circumstances exist to justify the approval of a new hospice. Evidence submitted by the applicant must document one or more of the following:
 - a. That a specific terminally ill population is not being served;
 - b. That a county or counties within the service area of a licensed hospice program are not being served; and
 - c. That there are persons referred to hospice programs who are not being admitted within 48 hours (excluding cases where a later admission date has been requested). The applicant shall indicate the number of persons.
2. If the need for the exception to the hospice formula is justified, then the review criteria above shall also apply.

**Projected Need for Hospice Services Based on Resident Mortality Data
for Caris Healthcare, Somerville CON Application**

A	B	C	D	E	F	G	H	I	J	K
Resident County	Cancer Deaths		Factor (a) (55% of Mean of B + C)	Non Cancer Non Trauma Deaths			Factor (b) (12% of Mean of E + F + G)	Projected Need (D + H)	Existing Service Levels From 2011 JAR	Need or (Surplus) (J-I)
	2010	2011		2009	2010	2011				
Benton	61	65	35	174	147	168	20	54	88	(34)
Carroll	71	93	45	261	286	304	34	79	227	(148)
Chester	34	36	19	112	125	126	15	34	53	(19)
Crockett	32	39	20	140	128	127	16	35	59	(24)
Decatur	35	33	19	121	124	113	14	33	45	(12)
Dyer	89	82	47	317	295	313	37	84	183	(99)
Fayette	98	81	49	225	234	200	26	76	121	(45)
Gibson	147	149	81	437	485	480	56	137	335	(198)
Haywood	44	40	23	155	138	131	17	40	65	(25)
Hardeman	78	61	38	174	195	197	23	61	85	(24)
Henderson	61	66	35	210	227	214	26	61	107	(46)
Henry	117	103	61	315	295	302	36	97	171	(74)
Lauderdale	65	61	35	166	180	166	20	55	108	(53)
Madison	226	172	109	592	641	487	69	178	487	(309)
McNairy	82	64	40	216	256	223	28	68	114	(46)
Obion	82	98	50	282	240	286	32	82	188	(106)
Shelby	1,722	1,699	941	5,071	5,083	5,083	609	1,550	3,843	(2,293)
Tipton	118	136	70	342	324	328	40	110	189	(79)
Weakley	82	91	48	241	249	28	21	78	151	(73)
Area Total	3,244	3,169	1,764	9,551	9,652	9,276	1,139	2,912	6,619	(3,707)

Source: Tennessee Dept of Health, Division of Policy, Planning and Assessment, Office of Health Statistics
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2. **Describe the relationship of this project to the applicant facility's long-range development plans, if any.**

Not Applicable, the project does not reflect development plans by Caris Healthcare as related to long-range goals. The applicant is making this request to achieve operational efficiency. This request will not have an effect on services delivered, and/or the service area.

3. **Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).****

The existing service area for the Caris Somerville Hospice license includes **Fayette, Hardeman, Haywood, Lauderdale, Madison, McNairy, Shelby, and Tipton. We are proposing the addition of Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion, and Weakly from our existing Milan licensed agency. If the proposed CON is approved, Caris Milan will surrender its license.**

In actuality, no change to the overall applicant service area is being proposed, only a consolidation of two offices. **Please see the county level map in Attachment "Section C. General Criteria - 3 Service Area Map" located on pages 58-61 at the end of the application.**

4. A. Describe the demographics of the population to be served by this proposal.

Hospice services are primarily utilized by individuals age 65 and above. Please see Attachment "Section C – General Criteria – 4A Demographics of the Population Served" located on pages 62-81 at the end of the application.

B.

Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Not Applicable, Caris Healthcare is an existing provider of hospice service which is accessibly to all appropriately referred hospice patients.

It is and will continue to be Caris Healthcare's policy to be readily accessible to consumers. The need for hospice service is evidenced by the demographics. Caris will continue to train staff and volunteers in the latest appropriate care regimens. In addition, the existing agency is available for student training programs in conjunction with local community colleges and universities.

While this application reflects Caris Healthcare's commitment to better care for Medicare and Medicaid patients, the importance of meeting the needs of all socioeconomic strata has not been overlooked. Caris Healthcare's quality of care standards apply equally to all patients, regardless of ability to pay.

- 5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.**

Please see Attachment, Section C, General Criteria – 5, Inventory & Utilization, p. 82-105. Project does not have inpatient beds; therefore, that part of the question is Not Applicable.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

The table below reflects census for the Caris Hospice licenses in both the Somerville and Milan offices for the past three years. **Please see Attachment "Section C Economic Feasibility – 4 Historical Data Chart & Projected Data Chart Assumptions"** located on pages 108-115 at the end of the application for projected annual utilization for each of the two years following completion of the project, along with the methodology and assumptions.

**Caris Healthcare Service Area
Patients Served by Agency**

County	The Two (2) Licensed Caris Agencies					
	Milan			Somerville		
	2011	2010	2009	2011	2010	2009
Benton	1	2	4	-	-	-
Carroll	28	31	34	-	-	-
Chester	3	5	12	-	-	-
Crockett	4	10	5	-	-	-
Decatur	0	0	1	-	-	-
Dyer	103	118	70	-	-	-
Fayette	-	-	-	41	48	72
Gibson	36	36	49	-	-	-
Hardeman	-	-	-	23	25	36
Haywood	-	-	-	18	27	33
Henderson	6	2	4	-	-	-
Henry	4	4	3	-	-	-
Lauderdale	-	-	-	38	41	31
Madison	28	30	35	0	0	0
McNairy	-	-	-	7	6	2
Obion	24	30	16	-	-	-
Shelby	-	-	-	13	16	16
Tipton	-	-	-	2	0	4
Weakley	29	37	34	-	-	-
Total	266	305	267	142	163	194

- Not Licensed in County

Source: 2009, 2010, 2011 Joint Annual Report for Hospice Agencies

* Licensed for all Counties in State of Tennessee

- Not Licensed in County

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
 - All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
 - The cost of any lease should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater.
 - The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
 - For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.

The cost of this proposed project is the minimum fee. There is no capital cost to speak of other than fees to prepare the application. This project involves consolidation of counties from one licensed hospice office to another office. No services or service area changes are proposed by the applicant.

Please see Attachment "Section Economic Feasibility – 1 Project Cost Data" located on page 107 at the end of the application.

2. Identify the funding sources for this project.

- a. **Please check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding *MUST* be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)**

The proposed project has the following source of funds: A commitment of capital cost reflected on Chart A has been secured from Caris Healthcare L.P. Additionally, a commitment of working capital has been secured.

- ☐ A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.
- ☐ D. Grants--Notification of intent form for grant application or notice of grant award; or
- ☒ E. Cash Reserves--Appropriate documentation from Chief Financial Officer.

Please note that the cost associated with the CON application have been incurred with the filing fee and application preparation. No additional capital costs are required.

- ☐ F. Other—Identify and document funding from all other sources.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

The proposed project is reasonable in that it merely reflects the minimal required HSDA filing fee along with application preparation costs. Additionally, the project does not include any construction.

4. Complete Historical and Projected Data Charts on the following two pages--Do not modify the Charts provided or submit Chart substitutions! Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

Please see Attachment "Section C Economic Feasibility – 4 Historical Data Chart & Projected Data Chart Assumptions" located on pages 108-115 at the end of the application.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge. Projected Data Chart was used as the source for the requested calculations.

	Year One (Patient Days 24,467)	Year Two (Patient Days 24,467)
Average Gross Charge	\$133.15	\$135.81
Average Deduction	\$5.33	\$5.44
Average Net Charge	\$127.82	\$130.37

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Somerville Office:

Counties: Hardeman, Haywood, McNairy, Lauderdale

	2012	2013	2014 (estimate)
Routine	\$146.82	\$132.36	\$136.87
Continuous Care	\$856.87/\$35.70	\$772.49/\$32.18	\$798.83/\$33.28
Inpatient Respite	\$152.79	\$141.51	\$146.29
General Inpatient	\$654.38	\$595.20	\$615.40

Fayette, Shelby, and Tipton

	2012	2013	2014 (estimate)
Routine	\$146.82	\$148.46	\$152.17
Continuous Care	\$856.87/\$35.70	\$866.45/\$36.10	\$888.14/\$37.00
Inpatient Respite	\$152.79	\$154.66	\$158.76
General Inpatient	\$654.38	\$661.92	\$678.81

Milan Office

Counties:

Benton, Carroll, Decatur, Henderson, Henry, Weakley, Gibson, Obion, Crockett, Dyer

	2012	2013	2014 (estimate)
Routine	\$131.97	\$132.36	\$136.87
Continuous Care	\$770.20/\$32.09	\$772.49/\$32.18	\$798.83/\$33.28
Inpatient Respite	\$140.69	\$141.54	\$146.29
General Inpatient	\$592.84	\$595.20	\$615.40

Chester and Madison Counties:

	2012	2013	2014 (estimate)
Routine	\$137.53	\$136.27	\$142.61
Continuous Care	\$802.66/\$33.44	\$795.32/\$33.13	\$832.30/\$34.67
Inpatient Respite	\$145.22	\$144.72	\$150.97
General Inpatient	\$615.89	\$611.41	\$639.17

No adjustments which will occur to the listed charges as a result of implementation of the proposal. The proposed project will have no impact on existing patient charges.

- B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Medicare reimburses providers via a perspective payment system. Providers are compensated equally based on the particular service rendered.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

Utilization rates are projected to remain constant in an effort to be conservative. The agency currently maintains cost effectiveness. However, approval of this project will allow Caris to operate more efficiently.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

The agency is financially viable currently (see Project Cost Data), and the approval of the license consolidation will help Caris maintain agency financial viability. The proposal is projected within the first year and including the second year to have sufficient positive cash flow to achieve financial viability. (See Projected Data Chart)

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

Caris Healthcare is accessible to patients eligible for Medicare, Medicaid, insurance and private funded payment sources are accepted by the agency. Patient payor mix for Caris Healthcare has been projected as follows:

	Year One	
Medicare	\$2,949,233	92.45%
Medicaid	\$ 101,135	3.17%
Commercial Insurance	\$ 139,600	4.38%
Other	\$ _____	0.00%
	\$3,189,968	100%

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Please see copies of the balance sheet and income statements from the most recent reporting periods of Caris Healthcare in Attachment "Section C Economic Feasibility - 10 located on pages 118-136 at the end of the application.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.**

After compiling all of the facts, it was decided that the best alternative would be to consolidate the service area counties of the two separately licensed Caris offices into the one license located in Somerville, TN. This proposal will allow Caris Healthcare to continue to meet the hospice care needs of the patients in the service area better by helping by creating operational efficiencies by reducing expenses without effecting service.

- (a) Do nothing at this time. This alternative does not allow the flexibility to create operational efficiencies by combining the two separately licensed agencies into one license.
- (b) Consolidate two separately licensed Caris hospice agencies into one license with the same service area. This proposal has been chosen because it helps Caris to be both economically and operationally feasible as it relates to inpatient services. The proposed project is also economically feasible in every respect for Caris Healthcare to carry out. The approval of this project will allow Caris Healthcare to continue to meet current and future hospice needs of the residents in the service area.

- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.**

Not Applicable, the applicant does not propose new construction.

(III.) CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

- 1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.**

Agreements are established between all relevant health care providers in the community including but not limited to the following:

Douglas Nursing Home
Dyersburg Hospital
Huntingdon Health & Rehabilitation Center
Laurelwood Healthcare
Life Care Center of Bruceton
Maplewood Healthcare
Martin Healthcare
Martin Hospital
Milan Health Care Center
Mission Convalescent Home
NHC HealthCare, Milan
Oak Manor Health Care Center
Regional Hospital of Jackson
Tennessee State Veterans Home
Highlands of Dyersburg
Weakley County Nursing Home
Allen Morgan Health & Rehabilitation Center
Allenbrooke Health & Rehabilitation Center
Crestview Health & Rehabilitation
Haywood Park Community Hospital
NHC Healthcare, Somerville
Pleasant View Health Care
Ripley Health Care & Rehabilitation

It is the intent of this facility to meet all the requirements of the State Department of Public Health with regard to agreements, contractual arrangements and participation by health care professionals.

- 2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.**

Caris Healthcare L.P. is requesting the authority to consolidate two existing licensed hospice agencies into one license with the same service area as the two existing agencies. The result will have a positive effect in that it will allow a single parent office agency moving forward to compete be more operationally efficient. Consequently, approval of this project will help to strengthen the financial feasibility of the Caris hospice agency.

Caris Healthcare is committed to providing the highest quality of care at maximum efficiency. Through the proposed project, Caris will continue with its commitment to improve both efficiency and high quality palliative care. The agency is an existing hospice provider so our proposal is not a duplication of service.

3. **Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.**

Please see Attachment "Section C – Economic Feasibility – 4" located on pages 116-117 at the end of the application for the current and/or anticipated staffing pattern for all employees providing patient care for the project reported using FTEs for these positions. Please note that no change is projected in current and/or anticipated staffing pattern.

Please see Attachment "Section III Contribution of Orderly Development – 3" located on pages 137-142 at the end of the application for the comparison of the clinical staff salaries to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development.

4. **Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.**

Please see Attachment "Section C Economic Feasibility – 4" located on page 116-117 at the end of the application for a listing of current and projected human resources required by the proposal per the licensing requirements of the Department of Health. The proposed project will not require additional staffing.

5. **Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review *policies and programs*, record keeping, and staff education.**

The applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. Specifically, the applicant is familiar with the Rules of the Tennessee Department of Health, Board for Licensing Health Care Facilities, Chapter 1200-8-27, Standards for Home Care Organizations providing Hospice Services. Since opening in 2004, the agency has operated in good standing according to the rules of the State of Tennessee, Department of Health.

6. **Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).**

Caris Healthcare draws nurses from the surrounding market area. Staff is often acquired from local advertising, recruitment at area colleges, and word of mouth from other employees. Applicants are drawn from resumes kept on file at the agency.

To aid in recruiting nursing personnel to the agency involves integration with the area's educational institutions. To assist with staff recruitment and promote community involvement, the Caris Healthcare has an established relationship with the University of Tennessee School of Nursing and Social Work.

7. (a) **Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.**

Caris Healthcare is currently licensed by the State of Tennessee to provide Hospice services. The applicant has reviewed and understands the licensure requirements of the Department of Health and/or applicable Medicare requirements.

- (b) **Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.**

Licensure: licensed by the State of Tennessee to provide Hospice services

Accreditation: Not Applicable

If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

The agency is currently licensed by the State of Tennessee, Department of Health, Division of Health Care Facilities.

Please see Attachment "Section III Contribution of Orderly Development – 7b" located on pages 144-145 at the end of the application for a copy of the current license. The agency will also continue to be certified by the Federal Medicare Program.

- (c) **For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.**

Please see a copy of the most recent survey in Attachment "Section III Contribution of Orderly Development- 7c" located on pages 146-150 at the end of the application.

9. **Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.**

Not Applicable, None.

10. **Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project**

Not Applicable, None.

11. **If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.**

If approved, the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required. The applicant files a Joint Annual Report Annually.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

Please see "Attachment – Proof of Publication" located on page 151 and the "Letter of Intent" located on page 157 at the end of the application.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in Rule 68-11-1609(c): 12/12/12*
 *Consent Calendar Requested

Assuming the CON approval becomes the final agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

<u>Phase</u>	<u>DAYS REQUIRED</u>	<u>Anticipated Date (MONTH/YEAR)</u>
1. <u>Architectural and engineering contract signed</u>	<u>N/A</u>	<u> </u>
2. <u>Construction documents approved by the Tennessee Department of Health</u>	<u>N/A</u>	<u> </u>
3. <u>Construction contract signed</u>	<u>N/A</u>	<u> </u>
4. <u>Building permit secured</u>	<u>N/A</u>	<u> </u>
5. <u>Site preparation completed</u>	<u>N/A</u>	<u> </u>
6. <u>Building construction commenced</u>	<u>N/A</u>	<u> </u>
7. <u>Construction 40% complete</u>	<u>N/A</u>	<u> </u>
8. <u>Construction 80% complete</u>	<u>N/A</u>	<u> </u>
9. <u>Construction 100% complete (approved for occupancy</u>	<u>N/A</u>	<u> </u>
10. <u>*Issuance of license</u> (Currently Licensed, Notice Only of Counties added to Somerville office & license for Milan Office surrendered.)	<u>60</u>	<u>02/13</u>
11. <u>*Initiation of service</u> (Service Consolidated to one license)	<u>60</u>	<u>02/13</u>
12. <u>Final Architectural Certification of Payment</u>	<u>N/A</u>	<u> </u>
13. <u>Final Project Report Form (HF0055)</u>	<u>N/A</u>	<u> </u>

* For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF Tennessee

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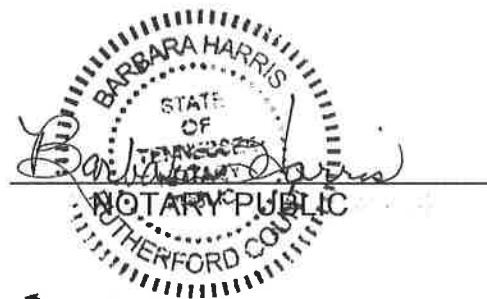
COUNTY OF Rutherford

D. Gerald Coggin, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

 / Chairman
SIGNATURE/TITLE

Sworn to and subscribed before me this 1st day of October, 2012 a Notary
(Month) (Year)

Public in and for the County/State of Rutherford/Tennessee.



My commission expires 9/20, 2015.
(Month/Day) (Year)

ATTACHMENTS

Section B - Project Description - III (A)

Plot Plan

Caris Healthcare, Somerville

1 +/- Acres



ADMIN



TEXT_GENERAL



OCT 2 AM 10:36

TEXT_PARCEL



LEADERLINES



PARCELS



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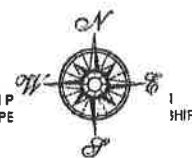
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FAYETTE COUNTY, TENNESSEE

DISCLAIMER: THIS MAP IS FOR PROPERTY TAX ASSESSMENT PURPOSES ONLY. IT WAS CONSTRUCTED FROM P
RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS, AND IS NOT CONCLUSIVE AS TO LOCATION OF PROPE



The most easterly one-half of a certain one (1) acre lot, said one acre being described as follows: BEGINNING at an iron stake, in the south margin of U.S. Highway 64, this point being the northwest corner of the lot herein described and being South 69 degrees 05 minutes East 29.5 feet from the northeast corner of the Mrs. June A. Peaks 0.43 acre lot (Deed Book 124, Page 109), from said point of beginning, in a southeastwardly direction, along the south margin of said highway, the following courses: South 69 degrees 05 minutes East 203.3 feet and South 70 degrees 48 minutes East 28.0 feet to an iron stake, in the south margin of said Highway; thence South 16 degrees 53 minutes West 179.3 feet to an iron stake in the north margin of Locke Road; thence North 73 degrees 30 minutes West 28.0 feet to an iron stake in the north margin of said Locke Road; thence North 70 degrees 40 minutes West 217.2 feet to an iron stake in center line of the Old Somerville-Bolivar Road (now abandoned), (said iron being South 70 degrees 40 minutes East 29.5 feet from the southeast corner of the said Peaks 0.43 acre lot); thence North 21 degrees 15 minutes East 186.2 feet to the point of beginning containing 1.0 acre.

This being the same property out of what has been designated in the Tax Assessor's Office of Fayette County, Tennessee as Parcel No. 20.00 on Tax Map 90D, Control Map 90E, Group A.

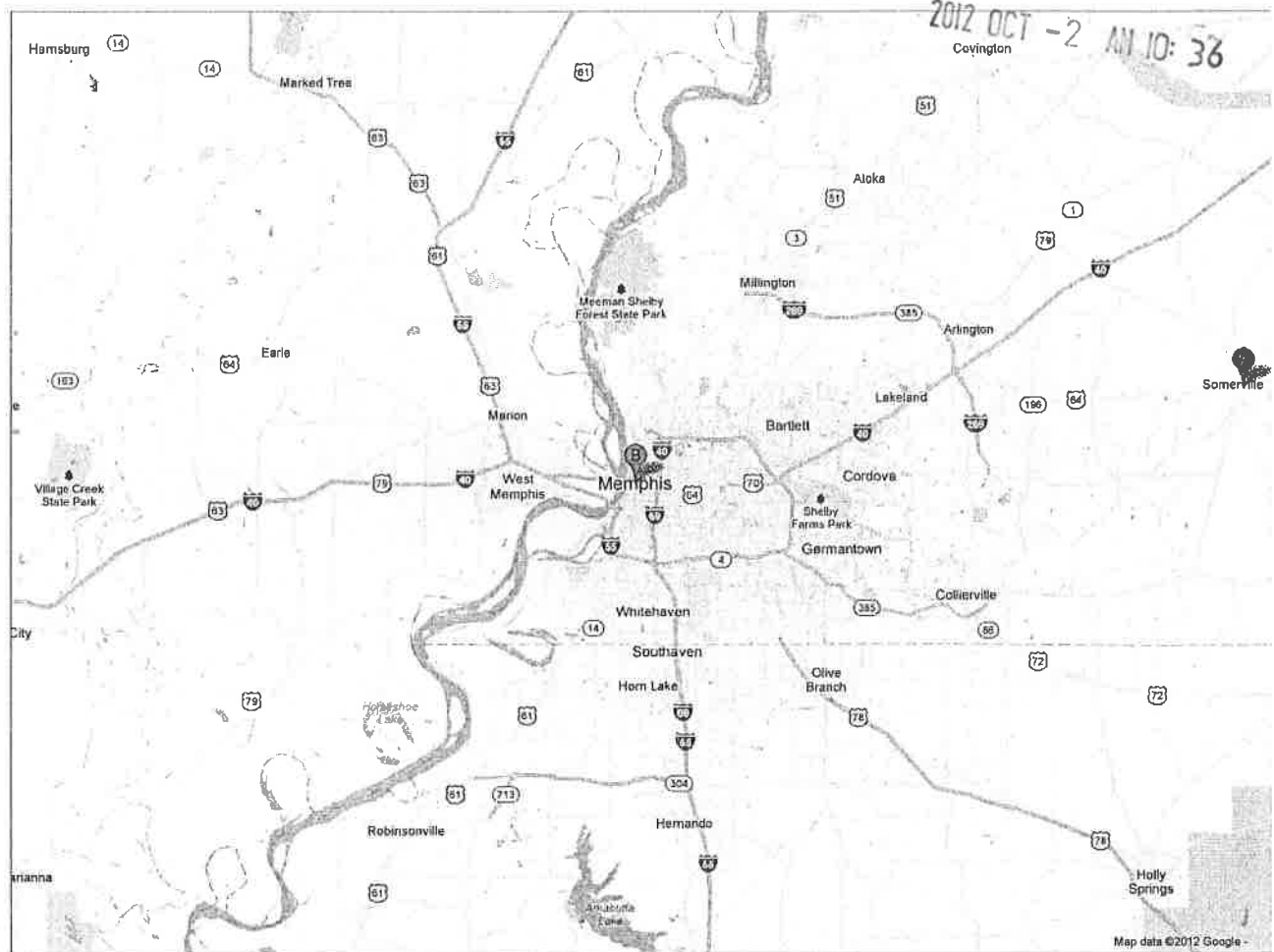
~~BEING the same real estate conveyed in Deed~~

Section B - Project Description - III (B)

Public Transportation

Google

To see all the details that are visible on the screen, use the "Print" link next to the map.



Your search for transit directions from 18075 Us Highway 64, Somerville, TN 38068 to Memphis, TN appears to be outside our current coverage area. Please consult our list of participating public transit agencies.
Get driving directions from 18075 Us Highway 64, Somerville, TN 38068 to Memphis, TN.

Map data ©2012 Google



Your search for transit directions from **18075 Us Highway 64, Somerville, TN 38068** to **Memphis, TN** appears to be outside our current coverage area. Please consult our list of participating public transit agencies.
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Public Transportation

near

Somerville, TN

Somerville Public transportation

Results 1-13 of 13

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1 Scott Shuttle Service

3040 Monk House Rd, Somerville, TN 38068 » [Map](#)
(901) 465-7521

» [More Info](#) » [Add Photos](#)

What: Public Transportation, Transportation Services

Be the first to review

2 The Kids' Chauffeur

8903 Forest Breeze Dr, Cordova, TN 38018 » [Map](#)
(901) 605-7504

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What: Public Transportation

1 Rating, Write a Review

3 Memphis Area Transit Authority

1370 Levee Rd, Memphis, TN 38108 » [Map](#)
(901) 722-7100

» [Website](#) » [More Info](#) » [Add Photos](#)

Where: 40th Ward Civic Club, North Memphis
What: Public Transportation, Transit Lines, Bus Lines

1 Rating, Write a Review

4 M&C Community Transit

3350 Millington Road, Memphis, TN 38127 » [Map](#)
(901) 353-6412

» [Website](#) » [More Info](#) » [Add Photos](#)

Where: Frayser, Frayser - Raleigh PD
What: Public Transportation, Transit Lines, Disability Services

Be the first to review

5 Pride's Park & Ride Shuttle Service

1368 Riverside Blvd, Memphis, TN 38109 » [Map](#)
(901) 775-9940

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Where: South Memphis Planning Dist
What: Public Transportation

1 Rating, Write a Review

6 Greyhound Bus Lines

407 E Main St, Jackson, TN 38301 » [Map](#)
(731) 427-1573

» [Website](#) » [More Info](#) » [Add Photos](#)

What: Public Transportation, Bus Lines, Transit Lines

5 Ratings, Write a Review

7 Delta Transportation

198 S Washington St, Ripley, TN 38063 » [Map](#)
(731) 221-0807

» [More Info](#) » [Add Photos](#)

What: Public Transportation, Transportation Services, Trucking

Be the first to review

8 Greyhound Bus Lines

3033 Airways Blvd, Memphis, TN 38131 » [Map](#)
(901) 395-8770

» [Website](#) » [More Info](#) » [Add Photos](#)

What: Public Transportation, Bus Lines, Bus Lines Ticket Agencies

24 Ratings, Write a Review

9 Greyhound Bus Lines

8181 US Highway 51 N, Millington, TN 38053 » [Map](#)
(901) 873-1000

» [Website](#) » [More Info](#) » [Add Photos](#)

What: Public Transportation, Bus Lines, Bus Lines Ticket Agencies

5 Ratings, Write a Review

10 Rivercity Maintenance & Repair

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What: Public Transportation, Transportation Providers

Public Transportation near Somerville, TN

11 Arrow Transportation Corp
901 Vance Ave, Memphis, TN 38126 » Map
(901) 523-2002
3 Ratings, Write a Review
» More Info » Add Photos
Where: Midtown, New Pathways
What: Public Transportation, Transportation Services, Transportation Providers

12 Trolley Stop Market
704 Madison Ave, Memphis, TN 38103 » Map
(901) 526-1361
Be the first to review
» Website » More Info » Add Photos
Where: New Pathways, Midtown
What: Public Transportation, Transportation Providers

13 Tennessee Limousine
2577 Poplar Ave, Memphis, TN 38112 » Map
(901) 452-9026
4 Ratings, 2 Reviews
» Website » More Info » Add Photos
What: Public Transportation, Buses-Charter & Rental, Tours-Operators & Promoters

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bus schedule transit lines bus

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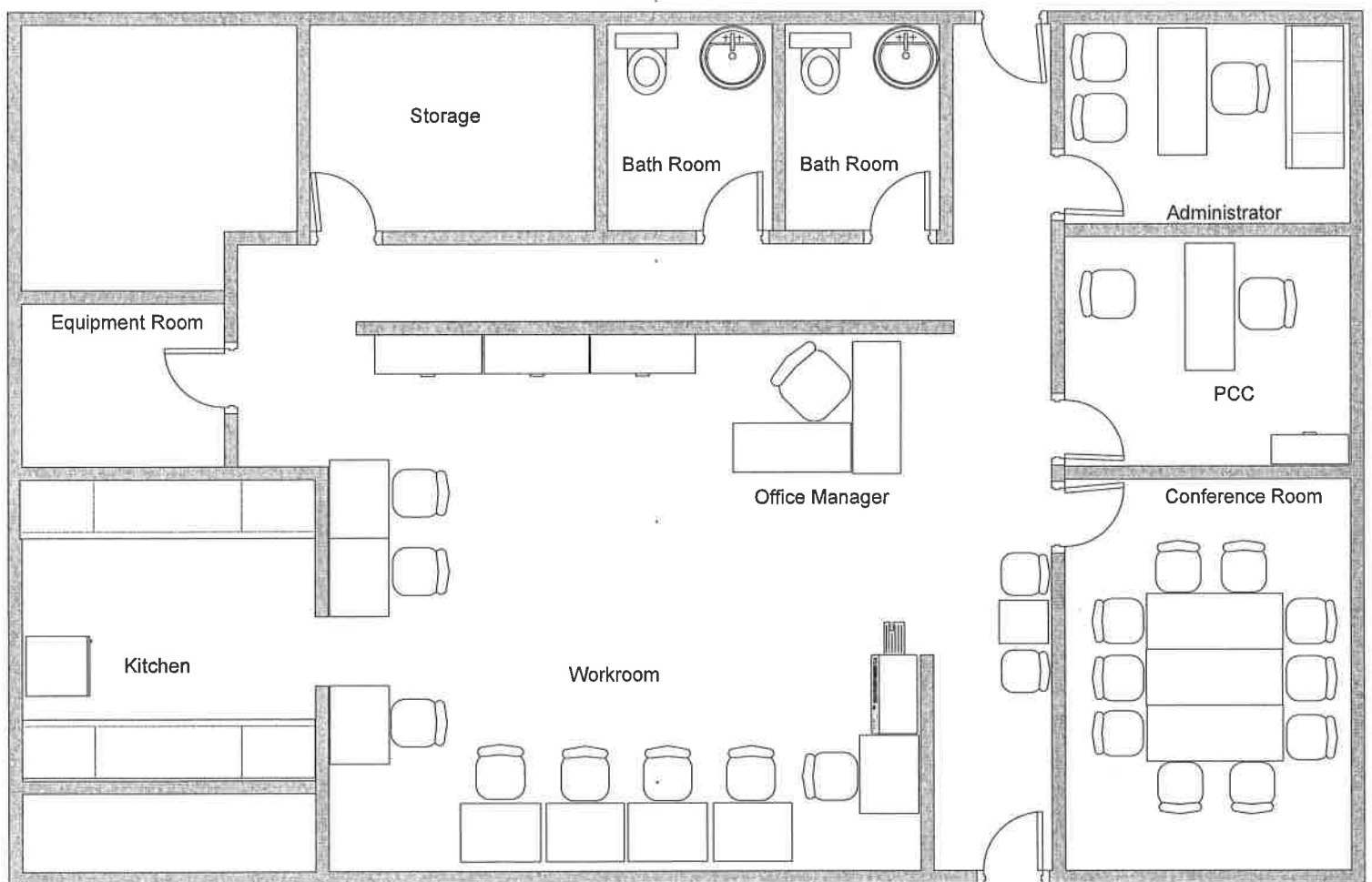
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Section B - Project Description - IV

Floor Plan

2012 OCT -2 AM 10: 36

SOMERVILLE

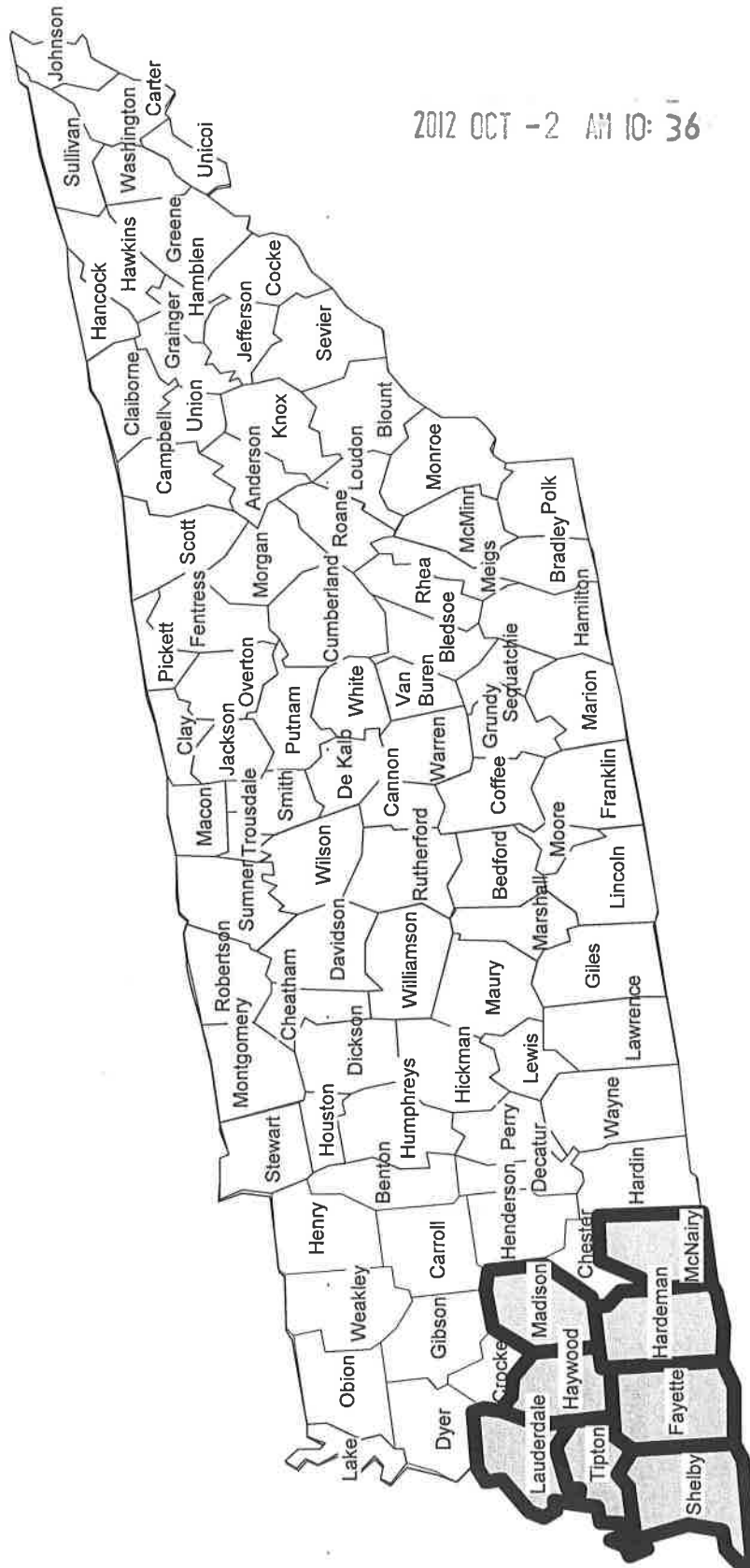


Section C – General Criteria - 3

Service Area Map

Caris HealthCare, Somerville

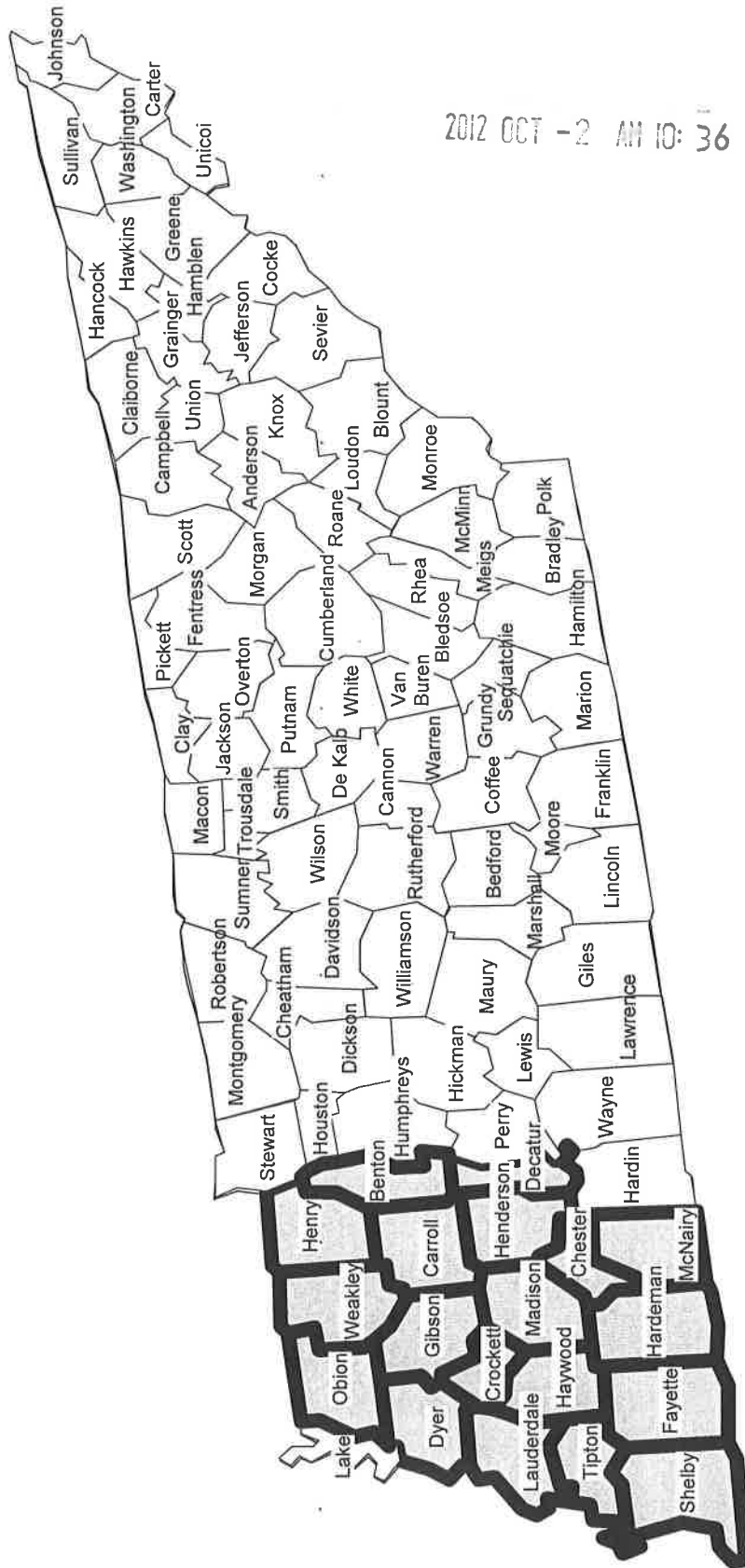
Current Service Area



2012 OCT -2 AM 10: 36

Caris HealthCare, Somerville

Proposed Service Area



2012 OCT -2 AM 10:36

Section C - General Criteria – 5

Inventory and Utilization

Caris Healthcare, Somerville Proposed Service Area
2011 Patients Served by Agency

Agency	County of Parent	License Number	2011 Patients Served by County (in Applicant's Service Area)																	Total Patients in Service Area			
			Benton	Carroll	Chester	Crockett	Decatur	Dyer	Fayette	Gibson	Hardeman	Haywood	Henderson	Henry	Lauderdale	Madison	McNairy	Obion	Shelby		Tipson	Weakley	
1 Asenacare Hospice McKenzie	Carroll	328	9	41	6	8	0	37	1	39	9	4	8	18	1	75	32	31	-	-	-	55	374
2 Baptist Memorial Homecare & Hospice	Carroll	450	2	41	0	0	0	-	-	0	-	-	0	1	-	3	-	-	-	-	1	48	
3 Avalon Hospice*	Davidson	369	9	66	0	0	0	2	0	36	4	9	8	0	1	12	1	3	0	0	9	160	
4 Caris Healthcare	Gibson	612	1	28	3	4	4	0	103	-	36	-	6	4	-	28	-	24	-	-	29	266	
5 Henry County Medical Center Hospice	Henry	361	14	7	-	-	-	-	-	-	-	-	-	115	-	-	-	-	-	-	11	147	
6 Hospice of West Tennessee	Madison	335	12	31	38	47	15	21	-	207	41	27	35	-	22	301	28	-	-	-	13	838	
7 Tennessee Quality Hospice	Madison	329	41	13	3	0	20	18	-	13	2	2	12	33	0	68	9	28	-	-	25	287	
8 Mercy Hospice	McNairy	604	X JAR Data Not Available - Licensed in above counties marked by X																	0			
9 Baptist Home Care & Hospice - Covington	Tipson	526	-	-	-	0	-	0	0	-	0	5	-	-	24	-	-	-	0	47	-	76	
10 Unity Hospice Care of Tennessee	Perry	617	X JAR Data Not Available - Licensed in above counties marked by X																	0			
11 Baptist Home Care and Hospice	Obion	438	-	-	-	-	-	4	-	4	-	-	-	-	-	-	-	102	-	-	8	118	
12 Caris Healthcare	Fayette	613	-	-	-	-	-	-	41	-	23	18	-	-	38	0	7	-	13	2	-	142	
13 Caris Hospice (1)	Shelby	602	-	-	-	-	-	-	0	-	1	0	-	-	16	0	-	-	148	8	-	173	
14 Amedys Hospice of Memphis	Shelby	376	-	-	-	-	-	-	6	-	-	-	-	-	6	-	-	-	357	24	-	393	
15 Baptist Trinity Hospice	Shelby	354	-	-	-	-	-	-	9	-	0	0	-	-	-	-	-	-	754	0	-	763	
16 Crossroads Hospice of Tennessee	Shelby	357	-	-	-	-	-	-	30	-	-	-	-	-	-	-	-	-	1405	50	-	1485	
17 Hospice Advantage of Memphis (2)	Shelby	601	-	-	-	-	-	-	2	-	0	0	-	-	0	-	-	-	80	1	-	83	
18 Methodist Alliance Hospice	Shelby	325	-	-	-	-	-	-	32	-	-	-	-	-	-	-	-	-	1004	57	-	1093	
19 Magnolia Regional Health Care Home & Hospice	Other	386	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9	-	-	-	-	9	
TOTAL			88	227	50	59	37	183	121	335	80	65	69	171	108	487	86	188	3761	189	151	6,455	

(1) *flka* Odyssey Hospice
(2) *flka* Asenacare Hospice Memphis
Source: 2011 Joint Annual Report for Hospice Agencies
TN Dept of Health: Health Care Facilities, Licensed Hospice Agencies: 8/20/12

**Caris Healthcare, Somerville Proposed Service Area
2010 Patients Served by Agency**

Agency	County of Parent	License Number	2011 Patients Served by County (in Applicants Service Area)																8/30/2012			
			Benton	Carroll	Chester	Crockett	Decatur	Dyer	Fayette	Gibson	Hardeman	Haywood	Henderson	Henry	Lauderdale	Madison	McNairy	Obion	Shelby	Tipton	Weakley	Total Patients in Service Area
1 Asercare Hospice McKenzie	Carroll	328	11	91	6	5	7	20	-	48	12	5	10	21	5	59	7	32	-	-	39	378
2 Baptist Memorial Homecare & Hospice	Carroll	450	3	26	0	0	0	-	-	0	-	-	0	1	-	0	-	-	-	-	2	32
3 Avalon Hospice*	Davidson	369	1	15	0	0	0	0	0	21	2	4	2	0	0	6	1	1	0	0	2	55
4 Caris Healthcare	Gibson	612	2	31	5	10	0	118	-	36	-	-	2	4	-	30	-	30	-	-	37	305
5 Henry County Medical Center Hospice	Henry	361	17	3	-	-	-	-	-	-	-	-	-	107	-	-	-	-	-	-	3	130
6 Hospice of West Tennessee	Madison	335	6	33	24	39	15	25	-	193	52	29	29	-	14	300	26	-	-	-	13	798
7 Tennessee Quality Hospice	Madison	329	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	0	
JAR Data Not Available - Licensed in above counties marked by X																						
8 Mercy Hospice	McNairy	604	-	-	1	-	-	-	-	-	1	-	-	-	-	-	39	-	-	-	-	41
9 Baptist Home Care & Hospice - Covington	Tipton	526	-	-	-	0	-	0	0	-	0	3	-	-	24	-	-	-	0	40	-	67
10 Unity Hospice Care of Tennessee	Perry	617	-	-	-	-	9	-	-	-	-	-	47	-	-	-	-	-	-	-	-	56
11 Baptist Home Care and Hospice	Obion	438	-	-	-	-	-	3	-	1	-	-	-	-	-	-	-	80	-	-	8	92
12 Caris Healthcare	Fayette	613	-	-	-	-	-	-	48	-	25	27	-	-	41	0	6	-	16	0	-	163
13 Centiva Hospice (1)	Shelby	602	-	-	-	-	-	-	1	-	2	3	-	-	15	0	-	-	131	12	-	164
14 Amedisys Hospice of Memphis	Shelby	376	-	-	-	-	-	-	8	-	-	-	-	-	4	-	-	-	231	17	-	260
15 Baptist Trinity Hospice	Shelby	354	-	-	-	-	-	-	15	-	0	0	-	-	-	-	-	-	691	14	-	720
16 Crossroads Hospice of Tennessee	Shelby	357	-	-	-	-	-	-	35	-	-	-	-	-	-	-	-	-	1213	31	-	1279
17 Hospice Advantage of Memphis (2)	Shelby	601	-	-	-	-	-	-	7	-	0	0	-	-	2	-	-	-	91	2	-	102
18 Methodist Alliance Hospice	Shelby	325	-	-	-	-	-	-	25	-	-	-	-	-	-	-	-	-	1009	63	-	1097
19 Magnolia Regional Health Care Home & Hospice	Other	386	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	-	-	-	-	11
TOTAL			40	199	36	54	31	166	139	299	94	71	90	133	105	395	90	143	3382	179	104	5,750

(1) f/k/a Odyssey Hospice
(2) f/k/a Asercare Hospice Memphis

Caris Healthcare, Somerville Proposed Service Area
2009 Patients Served by Agency

Agency	County of Parent	License Number	2011 Patients Served by County (in Applicants Service Area)																	Total Patients in Service Area		
			Benton	Carroll	Chester	Crockett	Deatur	Dyer	Fayette	Gibson	Hardeman	Haywood	Henderson	Henry	Lauderdale	Madison	McNairy	Obion	Shelby		Tipton	Weakley
1 Aseracare Hospice McKenzie	Carroll	328	17	119	2	6	3	13	-	61	8	3	10	14	1	58	4	31	-	-	46	396
2 Baptist Memorial Homecare & Hospice	Carroll	450	2	34	0	0	0	-	-	1	-	-	3	1	-	0	-	-	-	-	1	42
3 Avalon Hospice*	Davidson	369	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Caris Healthcare	Gibson	612	4	34	12	5	1	70	-	49	-	-	4	3	-	35	-	16	-	-	34	267
5 Henry County Medical Center Hospice	Henry	361	8	7	-	-	-	-	-	-	-	-	-	92	-	-	-	-	-	-	4	111
6 Hospice of West Tennessee	Madison	335	11	40	37	34	12	26	-	173	38	28	36	-	13	228	26	-	-	-	11	713
7 Tennessee Quality Hospice	Madison	329	40	23	1	1	12	20	-	17	0	0	14	19	2	50	9	25	-	-	26	259
8 Mercy Hospice	McNairy	604	-	-	0	-	-	-	-	-	3	-	-	-	-	-	34	-	-	-	-	37
9 Baptist Home Care & Hospice - Covington	Tipton	526	-	-	-	0	-	1	0	-	0	4	-	-	29	-	-	0	61	-	-	95
10 Unity Hospice Care of Tennessee	Perry	617	-	-	-	-	7	-	-	-	-	-	41	-	-	-	-	-	-	-	-	48
11 Baptist Home Care and Hospice	Obion	438	-	-	-	-	-	9	-	1	-	-	-	-	-	-	-	74	-	-	6	90
12 Caris Healthcare	Fayette	613	-	-	-	-	-	-	72	-	36	33	-	-	31	0	2	-	16	4	-	194
13 Adventiva Hospice (1)	Shelby	602	-	-	-	-	-	-	4	-	3	3	-	-	16	0	-	-	145	11	-	182
14 Amedys Hospice of Memphis	Shelby	376	-	-	-	-	-	-	10	-	-	-	-	-	5	-	-	-	413	20	-	448
15 Baptist Trinity Hospice	Shelby	354	-	-	-	-	-	-	25	-	0	0	-	-	-	-	-	-	704	6	-	735
16 Crossroads Hospice of Tennessee	Shelby	357	-	-	-	-	-	-	28	-	-	-	-	-	-	-	-	1044	26	-	-	1098
17 Hospice Advantage of Memphis (2)	Shelby	601	-	-	-	-	-	-	4	-	1	0	-	-	3	-	-	-	100	1	-	109
18 Methodist Alliance Hospice	Shelby	325	-	-	-	-	-	1	17	1	-	1	-	-	1	-	-	-	740	48	-	809
19 Magnolia Regional Health Care Home & Hospice	Other	386	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	-	-	-	-	8
TOTAL			82	257	52	46	35	140	160	303	89	72	108	129	101	371	83	146	3162	177	128	5,641

- (1) f/k/a Odyssey Hospice
(2) f/k/a Aseracare Hospice Memphis

Source: 2011 Joint Annual Report for Hospice Agencies

TN Dept of Health: Health Care Facilities, Licensed Hospice Agencies: 8/30/12

* Licensed for all Counties in State of Tennessee
- Not Licensed in County

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Benton County***Number of Agencies Licensed for County: 7***

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Henry County Medical Center Hospice	(Henry)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Carroll County***Number of Agencies Licensed for County: 7***

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Henry County Medical Center Hospice	(Henry)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Chester County

Number of Agencies Licensed for County: 7

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Mercy Hospice Inc	(McNairy)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Crockett County***Number of Agencies Licensed for County 7***

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Baptist Home Care & Hospice - Covington	(Tipton)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Decatur County***Number of Agencies Licensed for County: 7***

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Unity Hospice Care of Tennessee, LLC	(Perry)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Dyer County

Number of Agencies Licensed for County: 7

Aseracare Hospice-McKenzie	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Baptist Home Care and Hospice	(Obion)
Baptist Home Care & Hospice - Covington	(Tipton)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Gibson County***Number of Agencies Licensed for County: 7***

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Baptist Home Care and Hospice	(Obion)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Henderson County***Number of Agencies Licensed for County: 7***

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Unity Hospice Care of Tennessee, LLC	(Perry)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Henry County

Number of Agencies Licensed for County: 6

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Henry County Medical Center Hospice	(Henry)
Tennessee Quality Hospice	(Madison)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

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Madison County

Number of Agencies Licensed for County: 8

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Fayette)
Caris Healthcare	(Gibson)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Gentiva Hospice	(Shelby)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Obion County

Number of Agencies Licensed for County: 5

Aseracare Hospice-McKenzie	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Tennessee Quality Hospice	(Madison)
Baptist Home Care and Hospice	(Obion)

Hospice Agencies In:

Source: *Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)*

Weakley County***Number of Agencies Licensed for County: 8***

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Gibson)
Henry County Medical Center Hospice	(Henry)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Baptist Home Care and Hospice	(Obion)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Fayette County

Number of Agencies Licensed for County: 9

Avalon Hospice	(Davidson)
Caris Healthcare	(Fayette)
Amedisys Hospice of Memphis	(Shelby)
Baptist Trinity Hospice	(Shelby)
Crossroads Hospice of Tennessee; LLC	(Shelby)
Gentiva Hospice	(Shelby)
Hospice Advantage of Memphis	(Shelby)
Methodist Alliance Hospice	(Shelby)
Baptist Home Care & Hospice - Covington	(Tipton)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Haywood County

Number of Agencies Licensed for County: 9

Aseracare Hospice-McKenzie	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Fayette)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Baptist Trinity Hospice	(Shelby)
Gentiva Hospice	(Shelby)
Hospice Advantage of Memphis	(Shelby)
Baptist Home Care & Hospice - Covington	(Tipton)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Hardeman County***Number of Agencies Licensed for County: 10***

Aseracare Hospice-McKenzie	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Fayette)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Mercy Hospice Inc	(McNairy)
Baptist Trinity Hospice	(Shelby)
Gentiva Hospice	(Shelby)
Hospice Advantage of Memphis	(Shelby)
Baptist Home Care & Hospice - Covington	(Tipton)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Lauderdale County**Number of Agencies Licensed for County: 9**

Aseracare Hospice-McKenzie	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Fayette)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Amedisys Hospice of Memphis	(Shelby)
Gentiva Hospice	(Shelby)
Hospice Advantage of Memphis	(Shelby)
Baptist Home Care & Hospice - Covington	(Tipton)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Madison County

Number of Agencies Licensed for County: 8

Aseracare Hospice-McKenzie	(Carroll)
Baptist Memorial Home Care & Hospice	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Fayette)
Caris Healthcare	(Gibson)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Gentiva Hospice	(Shelby)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

McNairy County***Number of Agencies Licensed for County: 7***

Aseracare Hospice-McKenzie	(Carroll)
Avalon Hospice	(Davidson)
Caris Healthcare	(Fayette)
Hospice of West Tennessee	(Madison)
Tennessee Quality Hospice	(Madison)
Mercy Hospice Inc	(McNairy)
Magnolia Regional Health Care Home Hospice	(Other)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Shelby County

Number of Agencies Licensed for County: 9

Avalon Hospice	(Davidson)
Caris Healthcare	(Fayette)
Amedisys Hospice of Memphis	(Shelby)
Baptist Trinity Hospice	(Shelby)
Crossroads Hospice of Tennessee, LLC	(Shelby)
Gentiva Hospice	(Shelby)
Hospice Advantage of Memphis	(Shelby)
Methodist Alliance Hospice	(Shelby)
Baptist Home Care & Hospice - Covington	(Tipton)

Hospice Agencies In:

Source: Department of Health Licensure - 9/29/2011 (Updated 6/13/2012)

Tipton County**Number of Agencies Licensed for County: 9**

Avalon Hospice	(Davidson)
Caris Healthcare	(Fayette)
Amedisys Hospice of Memphis	(Shelby)
Baptist Trinity Hospice	(Shelby)
Crossroads Hospice of Tennessee, LLC	(Shelby)
Gentiva Hospice	(Shelby)
Hospice Advantage of Memphis	(Shelby)
Methodist Alliance Hospice	(Shelby)
Baptist Home Care & Hospice - Covington	(Tipton)

Section C - Economic Feasibility – 1

Project Cost Chart

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**CHART A
PROJECT COSTS**

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A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	
2. Legal, Administrative, Consultant Fees (Excluding CON Filing Fee)	2,500
3. Acquisition of Site	
4. Preparation of Site	
5. Construction Costs	
6. Contingency Fund	
7. Fixed Equipment (Not included in Construction Contract)	
8. Moveable Equipment (List all equipment over \$50,000)	
9. Other (Specify) Start up costs	

B. Acquisition by gift, donation or lease:

1. Facility (Inclusive of building and land)	
2. Building Only	
3. Land Only	
4. Equipment (Specify)	
5. Other (Specify)	

C. Financing costs and Fees:

1. Interim Financing	
2. Underwriting Costs	
3. Reserve for One Year's Debt Service	
4. Other (Specify)	

D. Total Estimated Project Cost (A + B + C)	2,500
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E. CON Filing Fee	3,000
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F. Total Estimated Project Cost (D + E)	5,500	TOTAL
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Section C Economic Feasibility – 4

Historical & Projected Data Chart

3. Section C. Economic Feasibility Item 4. (Historical/Projected Data Charts)

The HSDA is utilizing more detailed Historical and Projected Data Charts. Please complete the revised information Historical and Projected Data Charts provided at the end of this requests for supplemental information. Please note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should also include any management fees paid by agreement to third party entities not having common ownership with the applicant. Management fees should not include expense allocations for support services, e.g., finance, human resources, information technology, legal, managed care, planning marketing, quality assurance, etc. that have been consolidated/centralized for the subsidiaries of a parent company.

Please see attached revised Historical and Projected Data Charts.

HISTORICAL DATA CHART 2012 OCT -2 AM 10: 36

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in January.

	2009	2010	2011
A. Utilization Data (Specify unit of measure)	19,345	13,505	12,775
Pateint Days			
B. Revenue from Services to Patients			
1. Inpatient Services	\$ 61,246	\$ 105,887	\$ 23,824
2. Outpatient Services	2,299,727	2,002,643	1,713,000
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue	\$ 2,360,973	\$ 2,108,530	\$ 1,736,824
C. Deductions for Operating Revenue			
1. Contractual Adjustments	\$ (369,063)	\$ (213,169)	\$ (109,929)
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions	\$ (369,063)	\$ (213,169)	\$ (109,929)
NET OPERATING REVENUE	\$ 1,991,910	\$ 1,895,361	\$ 1,626,895
D. Operating Expenses			
1. Salaries and Wages	\$ 881,725	\$ 803,619	\$ 802,760
2. Physician's Salaries and Wages			
3. Supplies (Patient Related Expenses)	230,843	252,697	281,410
4. Taxes			
5. Depreciation	14,029	12,415	8,324
6. Rent	14,350	14,400	14,400
7. Interest, other than Capital			
8. Other Expenses (Specify) See Attached Detail	430,678.00	308,339	328,918
Total Operating Expenses	\$ 1,571,625	\$ 1,391,470	\$ 1,435,812
E. Other Revenue (Expenses)--Net (Specify)			
NET OPERATING INCOME (LOSS)	\$ 420,285	\$ 503,891	\$ 191,083
F. Capital Expenditures			
1. Retirement of Principal			
2. Interest			
Total Capital Expenditures	\$ -	\$ -	\$ -
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	\$ 420,285	\$ 503,891	\$ 191,083

Caris HealthCare, LP

**SUPPLEMENT TO HISTORICAL DATA CHART
ANALYSIS OF HISTORICAL OPERATING EXPENSES**

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Administrative & General	145,581	109,888	130,297
Utilities/Maintenance	9,084	9,467	8,457
Corporate Office Allocation	<u>276,013</u>	<u>188,984</u>	<u>190,164</u>
TOTAL	<u>\$ 430,678</u>	<u>\$ 308,339</u>	<u>\$ 328,918</u>

Caris HealthCare, LP has a corporate office. Listed below is a description of the costs of the corporate office and how these costs are allocated to its hospice locations.

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Corporate Office Income	<u>(7,891)</u>	<u>82,841</u>	<u>13</u>
Salaries and Benefits	2,988,913	3,180,967	3,399,910
Rent	130,842	122,849	121,022
Other Administrative Expenses	1,661,885	1,358,571	1,473,782
Depreciation	<u>251,620</u>	<u>216,569</u>	<u>297,288</u>
Total Expenses	<u>5,033,260</u>	<u>4,878,956</u>	<u>5,292,002</u>
Net Corporate Office	(5,041,151)	(4,796,115)	(5,291,989)
Allocation Process			
Net Corporate Office	5,041,151	4,796,115	5,291,989
Total Days - All Locations	<u>353,320</u>	<u>342,735</u>	<u>355,510</u>
Corp Off Cost/Day	<u>14.27</u>	<u>13.99</u>	<u>14.89</u>
Somerville Days	<u>19,345</u>	<u>13,505</u>	<u>12,775</u>
Allocated Corp Cost	<u><u>276,013</u></u>	<u><u>188,984</u></u>	<u><u>190,164</u></u>

Caris HealthCare, LP

Historical Data Chart Assumption

The information reflected on the Historical Data Chart reflects financial information for the years ended 12/31/09, 12/31/10 and 12/31/11 for Caris HealthCare, L.P.'s Somerville office.

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PROJECTED DATA CHART

Give information for the two (2) years following completion of this proposal.

	<u>Dec-13</u>	<u>Dec-14</u>
A. Utilization Data (Specify unit of measure)		
Patient Day	<u>24,467</u>	<u>24,467</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>\$99,152</u>	<u>\$101,135</u>
2. Outpatient Services	<u>\$3,158,676</u>	<u>3,221,850</u>
3. Emergency Services	<u></u>	<u></u>
4. Other Operating Revenue (Specify)	<u></u>	<u></u>
Gross Operating Revenue	<u>\$ 3,257,828</u>	<u>\$ 3,322,985</u>
C. Deductions for Operating Revenue		
1. Contractual Adjustments	<u>\$ (130,409)</u>	<u>\$ (133,017)</u>
2. Provision for Charity Care	<u></u>	<u></u>
3. Provisions for Bad Debt	<u></u>	<u></u>
Total Deductions	<u>\$ (130,409)</u>	<u>\$ (133,017)</u>
NET OPERATING REVENUE	<u>\$ 3,127,419</u>	<u>\$ 3,189,968</u>
D. Operating Expenses		
1. Salaries and Wages	<u>\$ 799,358</u>	<u>\$ 815,345</u>
2. Physician's Salaries and Wages	<u>-</u>	<u>-</u>
3. Supplies	<u>384,525</u>	<u>392,216</u>
4. Taxes	<u>-</u>	<u>-</u>
5. Depreciation	<u>20,255</u>	<u>20,660</u>
6. Rent	<u>40,351</u>	<u>41,158</u>
7. Interest, other than Capital	<u>-</u>	<u>-</u>
8. Other Expenses (Specify) - SEE ATTACHED SCHEDULE	<u>1,342,386</u>	<u>1,369,233</u>
Total Operating Expenses	<u>\$ 2,586,875</u>	<u>\$ 2,638,612</u>
E. Other Revenue (Expenses)--Net (Specify)	<u></u>	<u></u>
NET OPERATING INCOME (LOSS)	<u>\$ 540,544</u>	<u>\$ 551,356</u>
F. Capital Expenditures		
1. Retirement of Principal	<u></u>	<u></u>
2. Interest	<u></u>	<u></u>
Total Capital Expenditures	<u>\$ -</u>	<u>\$ -</u>
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	<u>\$ 540,544</u>	<u>\$ 551,356</u>

Caris HealthCare, LP

**SUPPLEMENT TO PROJECTED DATA CHART
SUPPORT FOR OTHER EXPENSES**

	<u>Dec-13</u>	<u>Dec-14</u>
Administrative & General	945,089	963,991
Utilities/Maintenance	15,769	16,084
Corporate Office Allocation	<u>381,528</u>	<u>389,158</u>
TOTAL	<u>\$ 1,342,386</u>	<u>\$ 1,369,233</u>

Caris HealthCare, LP has a corporate office. Listed below is a description of the budgeted costs of the corporate office and how these costs are allocated to its hospice locations.

	<u>12/31/13</u>	<u>12/31/14</u>
Corporate Office Income		
Salaries and Benefits	3,554,224	3,625,308
Rent	125,947	128,466
Other Administrative Expenses	1,698,661	1,732,634
Depreciation	<u>204,537</u>	<u>208,628</u>
Total Expenses	<u>5,583,369</u>	<u>5,695,036</u>
Net Corporate Office	(5,583,369)	(5,695,036)
Allocation Process		
Net Corporate Office	5,583,369	5,695,036
Total Days - All Locations	<u>358,056</u>	<u>358,056</u>
Corp Off Cost/Day	15.59	15.91
Somerville/Milan Days	<u>24,467</u>	<u>24,467</u>
Allocated Corp Cost	<u>381,528</u>	<u>389,158</u>

Projected Data Chart Assumptions

The Projected Data Chart reflects the combined operations for Caris HealthCare, LP's Somerville and Milan offices.

Caris HealthCare, LP

Caris HealthCare, LP
Economic Feasibility

- (c)(1)(A) By the end of the second year of the projection Caris HealthCare, LP will have a debt service coverage ratio greater than or equal to the required ratio of 1.25.
- (c)(1)(B) The project will meet or exceed the required current ratio of 1.25 by the end of the second year of the projection.
- (c)(1)(C) At the end of each year of the projection, the project will meet or exceed the required days cash on hand of greater than or equal to fifteen (15) days.
- (c)(1)(D) The required long term debt as a percent of total capital of less than or equal to ninety percent (90%) will be met by this project at the end of the second year of the projection.

Caris HealthCare, Somerville
Current - Staffing

Job	FTE
Administrator	1
Medical Director	Contract
Secretary	0
Office Manager	1
RN	2.5
LPN	n/a
Hospice Aide	3.5
Patient Care Manager	1
Nursing Supply Clerk	0
MDS Coordinator	0
Alzheimer Nursing Coordinator	0
ADON	0
Rehab Aides	0
Assisted Living	0
Medical Records - Head	0
Medical Records - Staff	0
Speech Therapy	0
Occupational Therapy	0
Physical Therapy	0
Dietary	0
Laundry	0
Housekeeping	0
Maintenance - Dept. Head	0
Maintenance - Staff	0
Chaplain	0.5
Volunteer Coordinator	1
Activities - Alzheimer	0
Activities Staff	0
Social Worker	1
Social Services - Staff	0
	11.5

**Caris HealthCare, Somerville
Somerville & Milan Combined
Year 2**

Combined	# of FTE's
Administrator	2
Medical Director	Contract
Secretary	0
Office Manager	2
RN	5
LPN	n/a
Hospice Aide	8.5
Patient Care Manager	2
Nursing Supply Clerk	0
MDS Coordinator	0
Alzheimer Nursing Coordinator	0
ADON	0
Rehab Aides	0
Assisted Living	0
Medical Records - Head	0
Medical Records - Staff	0
Speech Therapy	0
Occupational Therapy	0
Physical Therapy	0
Dietary	0
Laundry	0
Housekeeping	0
Maintenance - Dept. Head	0
Maintenance - Staff	0
Chaplain	1
Volunteer Coordinator	2
Activities - Alzheimer	0
Activities Staff	0
Social Worker	2
Social Services - Staff	0
	24.5

Section C – Economic Feasibility – 10

Institutional Balance Sheet & Income Statement

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September 10, 2012

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

RE: Caris Healthcare

Dear Ms. Hill:

Caris Healthcare LP with over \$5,800,000 of cash and cash equivalents, as stated in the December 31, 2011 Financial Statements, will make available all the necessary funds for the operation and working capital for the above referenced project. These funds are available on immediate notice.

Should you have any further questions or comments, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Norman McRae".

Norman McRae
CEO
Caris Healthcare L.P.

CARIS HEALTHCARE L.P.

Financial Statements

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)



LATTIMORE BLACK MORGAN & CAIN, PC
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

CARIS HEALTHCARE L.P.

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INDEPENDENT AUDITORS' REPORT

The Partners
Caris Healthcare L.P.

We have audited the accompanying balance sheets of Caris Healthcare L.P. (the "Partnership") as of December 31, 2011 and 2010, and the related statements of income and changes in partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caris Healthcare L.P. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Lattimore Black Morgan & Cain, PC

Knoxville, Tennessee
May 4, 2012

CARIS HEALTHCARE L.P.

Balance Sheets

December 31, 2011 and 2010

	<u>Assets</u>	
	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and cash equivalents	\$ 5,857,061	\$ 6,678,912
Marketable securities	-	4,622,553
Patient accounts receivable, less allowance for doubtful accounts of \$840,033 and \$999,063 in 2011 and 2010, respectively	11,797,564	8,716,816
Prepaid expenses	384,558	175,567
Deferred state income taxes	<u>24,686</u>	<u>21,943</u>
Total current assets	18,063,869	20,215,791
Property and equipment, net	555,446	599,268
Intangible assets, net	226,667	340,000
Other assets	28,725	28,725
Deferred income taxes	<u>291,579</u>	<u>357,503</u>
Total assets	\$ <u>19,166,286</u>	\$ <u>21,541,287</u>
	<u>Liabilities and Partners' Capital</u>	
Current liabilities:		
Accounts payable	\$ 5,411,910	\$ 5,568,245
Accrued expenses and other current liabilities	2,158,710	1,998,190
State income taxes payable	<u>21,270</u>	<u>220,124</u>
Total current liabilities	7,591,890	7,786,559
Partners' capital	<u>11,574,396</u>	<u>13,754,728</u>
Total liabilities and partners' capital	\$ <u>19,166,286</u>	\$ <u>21,541,287</u>

See accompanying notes to the financial statements.

CARIS HEALTHCARE L.P.

Statements of Income and Changes in Partners' Capital

Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Net patient service revenue	\$ 46,091,809	\$ 45,155,499
Operating expenses	<u>29,070,031</u>	<u>27,082,880</u>
Income from operations	17,021,778	18,072,619
Other income (expense):		
Interest income	285,526	393,772
Gain (loss) on marketable securities	(9,840)	205,698
Other expense, net	<u>(179,544)</u>	<u>(34,495)</u>
Total other income (expense)	<u>96,142</u>	<u>564,975</u>
Income before state income taxes	17,117,920	18,637,594
State income tax expense	<u>681,707</u>	<u>730,390</u>
Net income	16,436,213	17,907,204
Partners' capital at beginning of year	13,754,728	20,549,619
Purchase of partner interests (Note 12)	-	(11,850,565)
Distributions to partners	<u>(18,616,545)</u>	<u>(12,851,530)</u>
Partners' capital at end of year	\$ <u>11,574,396</u>	\$ <u>13,754,728</u>

See accompanying notes to the financial statements.

CARIS HEALTHCARE L.P.

Statements of Cash Flows

Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Net income	\$ 16,436,213	\$ 17,907,204
Adjustments to reconcile net income to cash flows provided by operating activities:		
Depreciation and amortization	440,501	459,908
Provision for doubtful accounts	1,106,614	1,218,783
(Gain) loss on marketable securities	9,840	(205,698)
Provision for deferred income tax expense (benefit)	63,181	(33,036)
Proceeds from sale of trading marketable securities	4,612,713	350,156
Change in operating assets and liabilities:		
Patient accounts receivable	(4,187,362)	(874,059)
Prepaid expenses	(208,991)	261,909
Other assets	-	2,281
Accounts payable	(156,335)	(87,535)
Accrued expenses and other current liabilities	160,520	101,836
State income taxes receivable / payable	(198,854)	255,804
Net cash provided by operating activities	<u>18,078,040</u>	<u>19,357,553</u>
Cash flows from investing activities:		
Purchases of property and equipment	(283,346)	(243,118)
Purchase of intangible assets	-	(340,000)
Net cash used by investing activities	<u>(283,346)</u>	<u>(583,118)</u>
Cash flows from financing activities:		
Purchase of partnership interests	-	(12,186,188)
Distributions paid	(18,616,545)	(12,851,530)
Net cash used by financing activities	<u>(18,616,545)</u>	<u>(25,037,718)</u>
Decrease in cash and cash equivalents	(821,851)	(6,263,283)
Cash and cash equivalents at beginning of year	<u>6,678,912</u>	<u>12,942,195</u>
Cash and cash equivalents at end of year	\$ <u>5,857,061</u>	\$ <u>6,678,912</u>

Supplemental disclosures of cash flow statement information

State income taxes paid	\$ <u>817,380</u>	\$ <u>507,622</u>
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See accompanying notes to the financial statements.

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

(1) Nature of operations

Caris Healthcare L.P. (the "Partnership" or "Company") was formed by National Hospice, Inc., the general partner, and the limited partners for the purpose of providing hospice services in the Southeastern United States. As of December 31, 2011, the Partnership operates sixteen offices located throughout Tennessee and one location in Virginia. The Partnership's corporate office is located in Knoxville, Tennessee.

The Partnership will be dissolved upon the earlier of the unanimous consent of the partners, the sale of substantially all assets of the Partnership, or August 1, 2053.

(2) Summary of significant accounting policies

The financial statements of the Partnership are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP"). The significant accounting policies followed are described below.

(a) Allocation of earnings and losses

Income and losses of the Partnership are allocated to the partners in accordance with the terms of the partnership agreement.

(b) Cash equivalents

The Partnership considers all highly liquid investments with original maturities of less than three months to be cash equivalents.

(c) Marketable securities

Marketable securities consist of publicly traded stocks, preferred stocks, and mutual funds. The securities are classified as trading securities and carried at market value with the unrealized gain or loss recognized in the statements of income.

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

(d) Patient accounts receivable and credit policies

Patient accounts receivable are uncollateralized patient obligations due from Medicare, TennCare, and other third-party payers, net of an allowance for contractual adjustments and bad debts. The Partnership grants credit to its customers; however, they obtain assignment of client benefits payable from health insurance plans or programs such as Medicare or TennCare. Contractual allowances along with provisions for uncollectible accounts are estimated based upon credit risks of third-party payers, contractual terms, inefficiencies in billing and collection processes, regulatory compliance issues, and historical collection experience. Service charges are not recorded on accounts that become delinquent which is thirty days after the date of service. Accounts are written off as bad debt once normal collection efforts are exhausted.

(e) Charity care

The Partnership provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Partnership does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

(f) Property and equipment

Property and equipment is stated at cost. Depreciation is provided over the assets' estimated useful lives using the straight-line method ranging from three to seven years.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

(g) Intangible assets

Intangible assets consist of non-compete agreements, and are amortized over their estimated useful lives on a straight-line basis.

(h) Income taxes

All federal taxable income and losses pass through to the individual partners for inclusion in their respective income tax returns and the Partnership recognizes only state income taxes in its financial statements.

The amount provided for state income taxes is based upon the amount of current and deferred taxes payable or refundable at the date of the financial statements, as a result of all events recognized in the financial statements, as measured by the provision of enacted state tax laws.

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no material uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

(i) Revenue recognition

Substantially all revenues of the Partnership are derived from hospice services provided to patients. It is the Partnership's policy to recognize revenues as services are provided to patients. Medicare and TennCare programs are billed at pre-determined net realizable rates per patient day that are established by statute or regulation. Most non-governmental payers, including contracted managed care payers, are billed at pre-determined net realizable rates per patient day that are established by contractual arrangement. All other payers are billed at usual and customary rates, but a contractual allowance is recorded to reflect the expected net realizable revenue for services provided.

The Partnership records certain revenue on a net basis for transactions on which it is not the primary obligor such as room and board charges and inpatient care. Gross revenue related to those transactions totaled \$20,529,204 and \$19,789,432 during 2011 and 2010, respectively, which was reported as net patient service revenue by the Partnership totaling \$812,860 and \$727,390 during 2011 and 2010, respectively. Certain managed care payers have made payments to the Company for room and board charges in excess of rates billed by the Company primarily due to a regulatory change. Overpayments from payers that have not been settled totaling approximately \$3,385,000 and \$3,118,000 at December 31, 2011 and 2010, respectively, and are included in accounts payable.

(j) Advertising and promotion costs

Advertising and promotion costs are expensed as incurred and totaled \$171,551 and \$132,843 during 2011 and 2010, respectively.

(k) Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2011 and May 4, 2012, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

(l) Realization of long-lived assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

(m) New accounting pronouncement

In August 2010, accounting standards relating to the disclosure of charity care for health care entities were amended to require the Partnership to measure charity care based on the direct and indirect costs of providing the charity care. Accounting standards relating to the presentation of insurance claims and related insurance recoveries for health care entities were also amended to require the Partnership to recognize an insurance receivable at the same time that it recognizes the liability, measured on the same basis of the liability. These amendments are effective for financial statements for fiscal years beginning after December 15, 2010. Therefore, the Partnership adopted these standards at the beginning of 2011.

(n) Recent accounting pronouncement

In July 2011, the FASB issued accounting standards that require changes in financial statement presentation and enhanced disclosures by health care entities that recognize significant amounts of patient service revenue at the time services are rendered without taking account of patients' ability to pay. These standards require health care entities to change the presentation of their income statement by reclassifying the provision for bad debts associated with patient service revenue (net of contractual allowances and discounts). Additionally, these entities will be required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. These standards are effective for fiscal years ending after December 15, 2012, and therefore, the Partnership expects to adopt these standards at the beginning of 2012. The Partnership is currently assessing the impact of adopting these accounting standards.

(o) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(p) Reclassifications

Certain reclassifications have been made to the 2010 financial statements in order for them to conform to the 2011 presentation. These reclassifications have no effect on net income as previously reported.

(3) Credit risk and other concentrations

The Partnership generally maintains cash and cash equivalents on deposit at banks in excess of federally insured amounts. The Partnership has not experienced any losses in such accounts and management believes the Partnership is not exposed to any significant credit risk related to cash and cash equivalents.

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

Revenues associated with patients whose primary coverage is under Medicare and TennCare programs accounted for approximately 94% of net patient service revenues during both 2011 and 2010. Accounts receivable from Medicare and TennCare also accounted for approximately 94% and 88% of net patient accounts receivable as of December 31, 2011 and 2010, respectively.

A portion of the Company's revenues relates to patients who reside in facilities operated by a partner whereby the partner has agreed to allow the Company to offer hospice services in their facilities. The amount of revenues related to these patients in those facilities has not been determined.

(4) Assets and liabilities measured at fair value

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The Company does not have any fair value measurements using significant unobservable inputs (Level 3) as of December 31, 2011 and 2010.

(a) Financial instruments

The carrying amount of financial instruments, consisting of cash and cash equivalents, trade accounts receivable, other current assets, trade accounts payable, accrued expenses, and other current liabilities approximate their fair value due to their relatively short maturities.

(b) Non-financial assets

The Company's non-financial assets, which include intangible assets and property and equipment, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required and the Company is required to evaluate the non-financial instrument for impairment, a resulting asset impairment would require that the non-financial asset be recorded at the fair value. During the years ended December 31, 2011 and 2010, the Company did not measure any non-recurring, non-financial assets or recognize any revenues or expenses related to changes in fair value for non-financial assets.

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

The following tables set forth by level, within the fair value hierarchy, the Partnership's assets at fair value as of December 31, 2010; there were no such assets at December 31, 2011:

Fair Value Measurements as of December 31, 2010 using the following inputs

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Stocks	\$ 1,134,491	\$ 845,331	\$ 289,160	\$ -
Corporate Bonds	1,140,549	-	1,140,549	-
Mutual Funds	<u>2,347,513</u>	<u>-</u>	<u>2,347,513</u>	<u>-</u>
	<u>\$ 4,622,553</u>	<u>\$ 845,331</u>	<u>\$ 3,777,222</u>	<u>\$ -</u>

(5) Marketable securities

A summary of marketable securities held for trading purposes as of December 31, 2010 was as follows:

Aggregate market	\$ 4,622,553
Aggregate cost	<u>5,711,353</u>
Unrealized loss	<u>\$ (1,088,800)</u>

At December 31, 2010, gross unrealized gains and losses pertaining to the marketable securities in the portfolio were as follows:

Gains	\$ 21,841
Losses	<u>(1,110,641)</u>
Net unrealized loss	<u>\$ (1,088,800)</u>

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

(6) Charity care

The Partnership maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its sliding fee policy, the estimated cost of these services and supplies, and equivalent service statistics. The following information measures the level of charity care provided during the year ended December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Gross charges forgone, at established rates	\$ <u>404,451</u>	\$ <u>438,958</u>
Estimated costs and expenses incurred to provide charity care included in the statements of activities. These costs were estimated based on the ratio of total costs to gross charges.	\$ <u>255,000</u>	\$ <u>263,000</u>
Equivalent percentage of charity care patients to all patients served	<u>0.9%</u>	<u>1.0%</u>

(7) Property and equipment

A summary of property and equipment as of December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Leasehold improvements	\$ 18,259	\$ 14,055
Electronic equipment	1,109,517	849,985
Computer software	886,159	873,540
Furniture and fixtures	719,741	715,416
Automobiles	<u>8,650</u>	<u>8,650</u>
	2,742,326	2,461,646
Accumulated depreciation and amortization	<u>2,186,880</u>	<u>1,862,378</u>
	\$ <u>555,446</u>	\$ <u>599,268</u>

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

(8) Intangible assets

A summary of intangible assets as of December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Non-compete agreements, net of accumulated amortization of \$113,333 in 2011	\$ <u>226,667</u>	\$ <u>340,000</u>

These assets are being amortized over their estimated useful lives of three years. There was no amortization expense for the year ended December 31, 2010. A summary of future amortization related to these intangible assets as of December 31, 2011 is as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 113,333
2013	<u>113,334</u>
	\$ <u>226,667</u>

(9) Employee benefit plan

The Partnership sponsors a defined contribution plan with a 401(k) feature covering substantially all employees. The Partnership matches employee contributions up to a maximum of 4% of the employees' annual compensation. The Partnership made contributions of \$278,611 and \$239,647 to the plan in 2011 and 2010, respectively.

(10) State income taxes

	<u>2011</u>	<u>2010</u>
State tax expense (benefit):		
Current	\$ 618,526	\$ 763,426
Deferred	<u>63,181</u>	<u>(33,036)</u>
Total provision for state income taxes	\$ <u>681,707</u>	\$ <u>730,390</u>

The effective tax rate varies from the expected rate as a result of income for certain partners which is self employment income and deductible for state income tax purposes.

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

Net deferred income taxes in the balance sheets as of December 31, 2011 and 2010 include the following amounts of deferred income tax assets and liabilities:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
		<u>2011</u>	
Deferred income tax assets	\$ 39,159	\$ 308,185	\$ 347,344
Deferred income tax liabilities	<u>(14,473)</u>	<u>(16,606)</u>	<u>(31,079)</u>
Net	<u>\$ 24,686</u>	<u>\$ 291,579</u>	<u>\$ 316,265</u>
		<u>2010</u>	
Deferred income tax assets	\$ 28,550	\$ 371,121	\$ 399,671
Deferred income tax liabilities	<u>(6,607)</u>	<u>(13,618)</u>	<u>(20,225)</u>
Net	<u>\$ 21,943</u>	<u>\$ 357,503</u>	<u>\$ 379,446</u>

Deferred income taxes are provided for the temporary differences between the financial reporting basis and tax basis of the Partnership's assets and liabilities. The deferred income tax assets result primarily from the unrealized loss on investments, allowance for doubtful accounts, tax goodwill, and bonus and vacation accruals. The deferred income tax liabilities result primarily from the use of accelerated methods of depreciation of intangible assets and property and equipment for income tax purposes and cash to accrual adjustments. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. No allowances have been established as of December 31, 2011 and 2010.

As of December 31, 2011 and 2010, the company has accrued no interest and no penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company files a consolidated U.S. Federal and various state income tax returns. The Company is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ended December 31, 2008 through 2011, and the various states for various years ended December 31, 2007 through 2011.

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

(11) Commitments and contingencies

Operating lease commitments

The Partnership utilizes its corporate office, clinical facilities, and certain equipment under operating leases. Rent expense under these leases amounted to \$551,322 and \$558,942 in 2011 and 2010, respectively. A summary of future minimum payments under these leases as of December 31, 2011 is as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 452,913
2013	243,793
2014	109,923
2015	<u>5,940</u>
	<u>\$ 812,569</u>

Insurance coverages

The delivery of personal and health care services entails an inherent risk of liability. The Partnership maintains commercial general liability insurance on a claims made basis with limits of \$1.0 million for each occurrence and \$3.0 million in the aggregate, and excess liability insurance with limits of \$3.0 million for each occurrence and \$3.0 million in the aggregate.

Health care regulations

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and TennCare, or other state program, fraud, and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Partnership is in compliance with fraud and abuse statutes as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

CARIS HEALTHCARE L.P.

Notes to the Financial Statements

December 31, 2011 and 2010

The Centers for Medicare and Medicaid Services ("CMS") have implemented a Recovery Audit Contractors ("RAC") program. The purpose of the program is to reduce improper Medicare payments through the detection and recovery of overpayments. CMS has engaged subcontractors to perform these audits and they are being compensated on a contingency basis based on the amount of overpayments that are recovered. Management expects the Company to be subject to future audits. While management believes that all Medicare billings are proper and support is maintained, certain aspects of Medicare billing, coding and support are subject to interpretation and may be viewed differently by the RAC auditors. As the amount of any recovery is unknown, management has not recorded any reserves related to the RAC audit at this time.

(12) Related party transactions

Services included in operating expenses which were provided by a partner amounted to \$21,732,328 and \$16,594,588 in 2011 and 2010, respectively. At December 31, 2011 and 2010, payables to this partner totaled \$806,639 and \$743,178, respectively, and are included in accounts payable and accrued liabilities.

(13) Purchase of Partner interests

In December 2010, the Partnership purchased the membership interest of three partners for \$12,186,188 and acquired non-compete agreements from the partners for an additional \$340,000 for a total purchase price of \$12,526,188. In connection with the purchase, the Company will realize a future state tax benefit for amortization of certain amounts paid in excess of tax basis of the partners interest, which will be amortized as tax goodwill over 15 years and which resulted in additional deferred tax asset to the Company of \$335,623 at December 31, 2010.

(14) Subsequent event

Effective January 1, 2012, the Partnership issued an additional 2.7% limited partner interest to a limited partner in exchange for the assignment of 100% of the membership interests in Solaris Hospice, LLC ("Solaris"), which was valued at \$8.35 million. Solaris provides hospice services through its eight offices in South Carolina. The allocation of the \$8.35 million purchase price to the underlying individual assets and liabilities has not yet been finalized.

Section III – Contribution of Orderly Development – 3

Salary Comparison

Nursing	2012 Avg Wages	Caris Healthcare 2013 Average Wages
RN	\$21.18	\$25.50
C N A	\$8.44	\$11.60

Source: Tennessee Department of Labor & Workforce Development 2012 Occupational Employment and Wages
Jackson, TN MSA, Memphis, TN-MS-AR MSA, & West TN BOS Occupational Wages

2012 WEST TENNESSEE BALANCE OF STATE OCCUPATIONAL WAGES

JOB CODE	JOB TITLE	EMPLOY- MENT	HRLY MEAN	ANNUAL MEAN	HRLY ENTRY	HRLY EXPER	RANGE OF WAGES		
							25%	median	75%
27-2022	Coaches and Scouts	90	n/h	\$33,140	n/h	n/h	\$18,300	\$29,450	\$42,660
27-3041	Editors	30	\$15.38	\$31,990	\$13.09	\$16.52	\$31,620	\$33,920	\$36,220
27-1023	Floral Designers	90	\$9.08	\$18,890	\$8.09	\$9.57	\$16,660	\$17,960	\$19,250
27-1024	Graphic Designers	90	\$12.40	\$25,780	\$8.32	\$14.43	\$18,900	\$23,130	\$32,910
27-2041	Music Directors and Composers	30	\$21.20	\$44,100	\$17.29	\$23.16	\$38,860	\$43,560	\$48,570
27-3031	Public Relations Specialists	60	\$15.04	\$31,290	\$8.95	\$18.09	\$20,070	\$26,980	\$41,350
27-3011	Radio and Television Announcers	60	\$10.71	\$22,270	\$8.06	\$12.03	\$16,820	\$18,300	\$21,930
29-9091	Athletic Trainers	30	n/h	\$40,230	n/h	n/h	\$33,160	\$38,200	\$45,630
29-1011	Chiropractors	20	\$28.23	\$58,710	\$16.70	\$33.99	\$36,160	\$51,240	\$58,130
29-2021	Dental Hygienists	210	\$23.22	\$48,300	\$17.52	\$26.07	\$39,160	\$46,140	\$57,750
29-2032	Diagnostic Medical Sonographers	*	\$22.78	\$47,380	\$17.38	\$25.48	\$41,170	\$47,180	\$55,620
29-2051	Dietetic Technicians	120	\$10.89	\$22,650	\$8.22	\$12.22	\$18,320	\$21,020	\$23,790
29-1031	Dietitians and Nutritionists	60	\$20.47	\$42,580	\$14.96	\$23.23	\$33,640	\$41,930	\$50,730
29-2041	Emergency Medical Technicians and Paramedics	520	\$16.04	\$33,370	\$11.78	\$18.17	\$26,220	\$31,120	\$38,230
29-1062	Family and General Practitioners	100	\$89.46	\$186,090	\$47.52	\$110.44	\$124,870	\$177,720	n/d
29-1063	Internists, General	20	\$109.26	\$227,260	\$76.92	n/h	\$175,190	n/d	n/d
29-2061	Licensed Practical and Licensed Vocational Nurses	2,130	\$16.07	\$33,430	\$13.34	\$17.44	\$30,110	\$33,790	\$37,180
29-2012	Medical and Clinical Laboratory Technicians	*	\$18.30	\$38,070	\$14.02	\$20.45	\$33,980	\$40,310	\$44,360
29-2011	Medical and Clinical Laboratory Technologists	*	\$27.99	\$58,220	\$19.46	\$32.26	\$44,550	\$52,890	\$62,170
29-2071	Medical Records and Health Information Technicians	*	\$14.85	\$30,880	\$10.75	\$16.90	\$24,060	\$29,600	\$35,990
29-2033	Nuclear Medicine Technologists	*	\$28.56	\$59,390	\$24.58	\$30.54	\$51,920	\$57,760	\$66,540
29-9011	Occupational Health and Safety Specialists	30	\$30.58	\$63,610	\$18.23	\$36.76	\$42,110	\$63,800	\$80,290
29-9012	Occupational Health and Safety Technicians	*	\$24.26	\$50,470	\$15.01	\$28.89	\$39,490	\$51,330	\$63,320
29-1122	Occupational Therapists	110	\$39.00	\$81,110	\$27.78	\$44.60	\$68,390	\$83,210	\$97,210
29-2081	Opticians, Dispensing	50	\$12.99	\$27,020	\$10.07	\$14.45	\$22,660	\$26,300	\$29,210
29-1051	Pharmacists	300	\$55.27	\$114,970	\$50.53	\$57.64	\$104,990	\$114,660	\$128,440
29-2052	Pharmacy Technicians	480	\$13.24	\$27,540	\$10.03	\$14.85	\$22,710	\$26,670	\$30,400
29-1123	Physical Therapists	220	\$42.61	\$88,630	\$31.55	\$48.14	\$72,380	\$85,960	\$100,660
29-1071	Physician Assistants	40	\$43.98	\$91,480	\$35.76	\$48.10	\$77,900	\$89,000	\$105,590
29-1069	Physicians and Surgeons, All Other	*	\$102.29	\$212,760	\$53.58	n/h	\$135,810	n/d	n/d
29-1066	Psychiatrists	20	\$81.98	\$170,520	\$77.74	\$84.10	\$160,460	\$171,460	\$182,470
29-1125	Recreational Therapists	30	\$16.93	\$35,220	\$14.03	\$18.39	\$31,790	\$35,550	\$40,010
29-1111	Registered Nurses	2,190	\$27.08	\$56,330	\$20.13	\$30.56	\$44,680	\$51,780	\$59,320
29-1126	Respiratory Therapists	140	\$20.58	\$42,800	\$16.42	\$22.66	\$36,800	\$42,440	\$47,510
29-2054	Respiratory Therapy Technicians	*	\$16.59	\$34,510	\$15.40	\$17.19	\$32,070	\$34,620	\$37,170
29-1127	Speech-Language Pathologists	120	\$30.36	\$63,160	\$19.35	\$35.87	\$42,510	\$52,090	\$82,970
29-1067	Surgeons	*	\$121.22	\$252,140	\$109.60	n/h	n/d	n/d	n/d

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2012 WEST TENNESSEE BALANCE OF STATE OCCUPATIONAL WAGES

JOB CODE	JOB TITLE	EMPLOYMENT	HRLY MEAN	ANNUAL MEAN	HRLY ENTRY	HRLY EXPR	RANGE OF WAGES		
							25%	median	75%
29-2055	Surgical Technologists	*	\$13.83	\$28,770	\$13.18	\$14.16	\$26,350	\$28,270	\$30,190
29-1131	Veterinarians	90	\$34.58	\$71,930	\$18.47	\$42.64	\$44,850	\$60,720	\$80,900
29-2056	Veterinary Technologists and Technicians	60	\$11.80	\$24,550	\$10.04	\$12.68	\$21,480	\$24,120	\$27,720
31-9091	Dental Assistants	250	\$13.60	\$28,290	\$10.48	\$15.16	\$22,700	\$27,680	\$33,540
31-1011	Home Health Aides	790	\$9.65	\$20,060	\$8.26	\$10.34	\$17,600	\$19,780	\$22,420
31-9092	Medical Assistants	380	\$11.03	\$22,940	\$8.46	\$12.31	\$19,000	\$22,200	\$26,840
31-9093	Medical Equipment Preparers	*	\$13.55	\$28,190	\$10.72	\$14.97	\$23,480	\$28,360	\$33,020
31-9094	Medical Transcriptionists	40	\$13.30	\$27,660	\$10.81	\$14.54	\$23,710	\$27,250	\$31,530
31-1012	Nursing Aides, Orderlies, and Attendants	2,650	\$9.26	\$19,260	\$8.12	\$9.83	\$17,040	\$18,830	\$21,730
31-2012	Occupational Therapist Aides	20	\$10.80	\$22,460	\$8.67	\$11.86	\$19,480	\$22,210	\$25,580
31-9095	Pharmacy Aides	*	\$9.98	\$20,750	\$8.33	\$10.80	\$17,410	\$19,490	\$23,870
31-2022	Physical Therapist Aides	60	\$10.32	\$21,460	\$8.44	\$11.26	\$18,900	\$21,350	\$23,640
31-2021	Physical Therapist Assistants	200	\$28.17	\$58,600	\$22.20	\$31.16	\$50,110	\$60,370	\$68,690
31-1013	Psychiatric Aides	280	\$11.17	\$23,230	\$9.11	\$12.20	\$20,220	\$22,560	\$26,140
31-9096	Veterinary Assistants and Laboratory Animal Caretakers	50	\$10.41	\$21,660	\$8.08	\$11.58	\$17,640	\$20,920	\$26,440
33-9011	Animal Control Workers	*	\$12.25	\$25,480	\$8.25	\$14.25	\$18,570	\$26,280	\$31,330
33-3012	Correctional Officers and Jailers	*	\$13.38	\$27,820	\$12.50	\$13.81	\$25,530	\$27,480	\$29,420
33-9091	Crossing Guards	50	\$10.54	\$21,920	\$8.32	\$11.65	\$18,840	\$21,190	\$23,350
33-3021	Detectives and Criminal Investigators	80	\$23.27	\$48,410	\$16.56	\$26.63	\$37,250	\$43,170	\$51,890
33-2011	Fire Fighters	*	\$13.39	\$27,850	\$8.43	\$15.87	\$18,880	\$27,780	\$35,060
33-1011	First-Line Supervisors/Managers of Correctional Officers	*	\$21.90	\$45,550	\$17.03	\$24.34	\$37,970	\$42,550	\$47,060
33-1021	First-Line Supervisors/Managers of Fire Fighting and Pre	*	\$19.84	\$41,270	\$13.18	\$23.17	\$35,220	\$43,310	\$48,930
33-1012	First-Line Supervisors/Managers of Police and Detective	150	\$21.43	\$44,570	\$13.25	\$25.52	\$29,050	\$41,490	\$56,750
33-9092	Lifeguards, Ski Patrol, and Other Recreational Protective	100	\$8.18	\$17,010	\$8.11	\$8.21	\$16,330	\$17,430	\$18,540
33-3051	Police and Sheriff's Patrol Officers	730	\$16.43	\$34,180	\$12.46	\$18.42	\$28,860	\$34,350	\$39,080
33-9099	Protective Service Workers, All Other	70	\$13.17	\$27,390	\$8.39	\$15.56	\$17,860	\$20,760	\$33,610
33-9032	Security Guards	140	\$11.42	\$23,760	\$8.03	\$13.12	\$17,930	\$23,510	\$28,340
35-3011	Bartenders	*	\$8.39	\$17,450	\$8.06	\$8.56	\$16,460	\$17,650	\$18,840
35-1011	Chefs and Head Cooks	*	\$11.98	\$24,920	\$8.03	\$13.96	\$17,670	\$24,240	\$30,040
35-3021	Combined Food Preparation and Serving Workers, Inclu	2,700	\$8.43	\$17,530	\$8.13	\$8.57	\$16,430	\$17,590	\$18,750
35-2011	Cooks, Fast Food	730	\$8.59	\$17,880	\$8.06	\$8.86	\$16,530	\$17,810	\$19,090
35-2012	Cooks, Institution and Cafeteria	1,790	\$9.40	\$19,550	\$8.08	\$10.06	\$17,360	\$19,430	\$22,080
35-2014	Cooks, Restaurant	610	\$9.43	\$19,610	\$8.02	\$10.13	\$17,030	\$18,880	\$22,430
35-2015	Cooks, Short Order	*	\$8.52	\$17,720	\$8.33	\$8.61	\$16,520	\$17,720	\$18,930
35-3022	Counter Attendants, Cafeteria, Food Concession, and C	*	\$8.12	\$16,890	\$8.10	\$8.13	\$16,320	\$17,400	\$18,480
35-9011	Dining Room and Cafeteria Attendants and Bartender H	*	\$7.97	\$16,570	\$7.96	\$7.97	\$16,190	\$17,250	\$18,300
35-9021	Dishwashers	*	\$8.30	\$17,260	\$8.04	\$8.43	\$16,400	\$17,570	\$18,750

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2012 JACKSON, TN MSA OCCUPATIONAL WAGES

JOB CODE	JOB TITLE	EMPLOY- MENT	HRLY MEAN	ANNUAL MEAN	HRLY ENTRY	HRLY EXPER	RANGE OF WAGES		
							25%	median	75%
29-9011	Occupational Health and Safety Specialists	30	\$26.41	\$54,930	\$22.96	\$28.13	\$49,160	\$54,390	\$59,610
29-1122	Occupational Therapists	60	\$27.01	\$56,190	\$18.90	\$31.07	\$47,750	\$58,240	\$68,400
29-2081	Opticians, Dispensing	20	\$13.75	\$28,600	\$11.32	\$14.96	\$24,570	\$27,700	\$31,530
29-1041	Optometrists	*	\$30.17	\$62,760	\$22.14	\$34.19	\$51,020	\$56,390	\$79,170
29-1051	Pharmacists	150	\$53.34	\$110,960	\$46.76	\$56.64	\$103,080	\$112,440	\$125,490
29-2052	Pharmacy Technicians	130	\$13.05	\$27,150	\$10.20	\$14.48	\$21,870	\$25,400	\$32,730
29-1123	Physical Therapists	70	\$33.87	\$70,460	\$25.99	\$37.81	\$57,430	\$69,030	\$82,580
29-1071	Physician Assistants	*	\$40.34	\$83,920	\$38.08	\$41.48	\$80,150	\$85,810	\$91,470
29-1069	Physicians and Surgeons, All Other	130	\$120.58	\$250,810	\$107.53	n/h	n/d	n/d	n/d
29-1125	Recreational Therapists	*	\$17.05	\$35,450	\$13.53	\$18.80	\$29,750	\$34,840	\$41,800
29-1111	Registered Nurses	2,380	\$25.89	\$53,860	\$19.84	\$28.92	\$42,920	\$49,560	\$58,620
29-1126	Respiratory Therapists	110	\$20.66	\$42,960	\$16.30	\$22.83	\$34,770	\$40,140	\$46,820
29-1127	Speech-Language Pathologists	*	\$28.20	\$58,670	\$20.97	\$31.82	\$48,260	\$54,310	\$61,140
29-1067	Surgeons	60	n/h	n/h	n/h	n/h	n/h	n/h	n/h
29-2055	Surgical Technologists	140	\$16.44	\$34,200	\$12.86	\$18.23	\$27,670	\$32,330	\$38,420
31-9091	Dental Assistants	140	\$16.12	\$33,530	\$11.87	\$18.25	\$26,380	\$33,100	\$40,860
31-1011	Home Health Aides	450	\$9.01	\$18,730	\$8.30	\$9.36	\$16,940	\$18,570	\$20,530
31-9011	Massage Therapists	*	\$14.22	\$29,570	\$10.21	\$16.22	\$24,860	\$32,170	\$35,070
31-9092	Medical Assistants	560	\$11.30	\$23,500	\$8.45	\$12.73	\$19,070	\$22,460	\$27,310
31-9094	Medical Transcriptionists	60	\$15.63	\$32,510	\$12.63	\$17.13	\$27,670	\$32,220	\$37,030
31-1012	Nursing Aides, Orderlies, and Attendants	720	\$9.76	\$20,300	\$8.23	\$10.52	\$17,580	\$19,820	\$22,780
31-9095	Pharmacy Aides	40	\$10.30	\$21,430	\$9.17	\$10.87	\$19,820	\$21,510	\$23,210
31-2022	Physical Therapist Aides	50	\$10.68	\$22,210	\$10.32	\$10.86	\$20,620	\$21,970	\$23,330
31-2021	Physical Therapist Assistants	50	\$22.90	\$47,630	\$20.08	\$24.31	\$41,380	\$45,020	\$52,410
31-9096	Veterinary Assistants and Laboratory Animal Caretakers	*	\$9.63	\$20,020	\$8.37	\$10.26	\$17,060	\$18,790	\$21,250
33-3021	Detectives and Criminal Investigators	50	\$28.68	\$59,660	\$19.71	\$33.17	\$41,980	\$46,890	\$59,540
33-2011	Fire Fighters	140	\$14.23	\$29,600	\$11.85	\$15.42	\$25,540	\$28,790	\$33,520
33-1021	First-Line Supervisors/Managers of Fire Fighting and Pre	60	\$19.64	\$40,850	\$16.35	\$21.28	\$33,390	\$36,440	\$46,190
33-1012	First-Line Supervisors/Managers of Police and Detective	120	\$25.53	\$53,110	\$20.69	\$27.95	\$45,440	\$51,480	\$58,540
33-3051	Police and Sheriffs Patrol Officers	380	\$19.03	\$39,570	\$15.82	\$20.63	\$33,910	\$38,300	\$44,810
33-9032	Security Guards	430	\$9.60	\$19,960	\$8.07	\$10.36	\$16,900	\$18,500	\$21,480
35-3011	Bartenders	100	\$8.50	\$17,670	\$8.13	\$8.68	\$16,440	\$17,630	\$18,820
35-1011	Chefs and Head Cooks	80	\$17.68	\$36,780	\$11.08	\$20.98	\$25,510	\$31,200	\$46,430
35-3021	Combined Food Preparation and Serving Workers, Inclu	1,780	\$8.52	\$17,730	\$8.03	\$8.77	\$16,520	\$17,780	\$19,040

2012 MEMPHIS, TN-MS-AR-MSA OCCUPATIONAL WAGES

JOB CODE	JOB TITLE	EMPLOY- MENT	HRLY MEAN	ANNUAL MEAN	HRLY ENTRY	HRLY EXPER	RANGE OF WAGES		
							25%	median	75%
29-1111	Registered Nurses	12,890	\$31.71	\$65,950	\$23.57	\$35.78	\$52,220	\$61,050	\$72,300
29-1126	Respiratory Therapists	700	\$23.54	\$48,960	\$19.83	\$25.39	\$42,970	\$48,890	\$55,490
29-2054	Respiratory Therapy Technicians	100	\$17.92	\$37,280	\$16.27	\$18.75	\$33,660	\$36,780	\$41,150
29-1127	Speech-Language Pathologists	460	\$31.33	\$65,160	\$22.79	\$35.60	\$51,460	\$62,610	\$80,070
29-1067	Surgeons	120	n/h	n/h	n/h	n/h	n/h	n/h	n/h
29-2055	Surqical Technologists	660	\$17.39	\$36,170	\$14.17	\$19.00	\$31,970	\$36,190	\$41,740
29-1131	Veterinarians	190	\$33.09	\$68,820	\$22.39	\$38.44	\$50,840	\$63,020	\$84,030
29-2056	Veterinary Technologists and Technicians	*	\$13.27	\$27,610	\$10.16	\$14.83	\$22,460	\$26,190	\$29,990
31-9091	Dental Assistants	1,100	\$16.61	\$34,550	\$12.48	\$18.67	\$27,670	\$34,660	\$42,110
31-1011	Home Health Aides	1,540	\$10.78	\$22,430	\$7.97	\$12.19	\$17,620	\$20,900	\$27,100
31-9011	Massage Therapists	190	\$15.92	\$33,110	\$8.41	\$19.67	\$19,000	\$28,340	\$37,200
31-9092	Medical Assistants	2,490	\$13.59	\$28,270	\$10.84	\$14.97	\$24,130	\$27,390	\$30,730
31-9093	Medical Equipment Preparers	*	\$14.50	\$30,170	\$11.10	\$16.21	\$24,730	\$29,370	\$34,940
31-9094	Medical Transcriptionists	240	\$16.31	\$33,930	\$12.77	\$18.08	\$28,320	\$33,250	\$38,030
31-1012	Nursing Aides, Orderlies, and Attendants	5,370	\$11.11	\$23,110	\$8.97	\$12.18	\$19,960	\$22,630	\$26,330
31-2011	Occupational Therapist Assistants	60	\$28.20	\$58,660	\$21.55	\$31.53	\$50,030	\$62,680	\$69,910
31-9095	Pharmacy Aides	170	\$11.29	\$23,480	\$8.88	\$12.49	\$20,010	\$23,200	\$27,460
31-2022	Physical Therapist Aides	180	\$10.79	\$22,440	\$8.08	\$12.14	\$17,870	\$20,840	\$24,990
31-2021	Physical Therapist Assistants	280	\$28.21	\$58,680	\$21.10	\$31.77	\$47,420	\$62,260	\$69,670
31-1013	Psychiatric Aides	480	\$9.21	\$19,170	\$8.04	\$9.80	\$16,820	\$18,380	\$21,060
31-9096	Veterinary Assistants and Laboratory Animal Caretakers	260	\$12.29	\$25,570	\$8.87	\$14.01	\$19,810	\$24,690	\$30,090
33-9011	Animal Control Workers	70	\$15.73	\$32,730	\$11.89	\$17.66	\$26,220	\$31,070	\$39,950
33-3011	Bailiffs	*	\$13.58	\$28,250	\$9.20	\$15.77	\$20,690	\$25,300	\$36,370
33-3012	Correctional Officers and Jailers	2,360	\$18.70	\$38,890	\$13.94	\$21.08	\$32,430	\$39,750	\$45,380
33-9091	Crossing Guards	530	\$15.19	\$31,600	\$11.27	\$17.16	\$27,190	\$33,000	\$36,240
33-3021	Detectives and Criminal Investigators	320	\$30.88	\$64,240	\$18.14	\$37.26	\$41,340	\$51,180	\$88,860
33-2011	Fire Fighters	1,490	\$21.90	\$45,560	\$15.13	\$25.29	\$36,020	\$49,440	\$55,490
33-2021	Fire Inspectors and Investigators	80	\$26.22	\$54,530	\$21.92	\$28.37	\$49,170	\$54,700	\$60,240
33-1011	First-Line Supervisors/Managers of Correctional Officers	90	\$30.47	\$63,380	\$20.98	\$35.21	\$47,250	\$60,080	\$74,610
33-1021	First-Line Supervisors/Managers of Fire Fighting and Pre	160	\$31.25	\$65,010	\$20.36	\$36.70	\$48,940	\$66,210	\$83,650
33-1012	First-Line Supervisors/Managers of Police and Detective	210	\$31.45	\$65,420	\$22.83	\$35.76	\$51,470	\$59,890	\$72,990
33-1099	First-Line Supervisors/Managers, Protective Service Wor	280	\$21.91	\$45,580	\$15.37	\$25.19	\$36,500	\$43,600	\$50,440
33-9031	Gaming Surveillance Officers and Gaming Investigators	120	\$16.79	\$34,920	\$13.29	\$18.54	\$29,350	\$34,200	\$39,370
33-9092	Lifeguards, Ski Patrol, and Other Recreational Protective	410	\$9.90	\$20,580	\$7.99	\$10.85	\$17,010	\$18,820	\$25,020
33-3051	Police and Sheriff's Patrol Officers	3,840	\$22.58	\$46,970	\$16.88	\$25.43	\$39,220	\$49,760	\$55,660
33-9099	Protective Service Workers, All Other	190	\$16.98	\$35,320	\$10.67	\$20.14	\$24,590	\$31,020	\$43,010
33-9032	Security Guards	9,270	\$11.87	\$24,700	\$8.08	\$13.77	\$18,090	\$22,330	\$28,950

Section III – Contribution of Orderly Development – 7c

Survey



2012 OCT -2 AM 10: 37

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
DIVISION OF HEALTH CARE FACILITIES
WEST TENNESSEE REGIONAL OFFICE
2975 Highway 45 Bypass, Suite C
Jackson, Tennessee 38305
Phone: (731) 984-9684
Fax: (731) 512-0063

December 20, 2011

Ms. Elizabeth Von Hofe, Administrator
Caris Healthcare
17410 Highway 64
Somerville, TN 38068

RE: **Recertification Survey**
CCN 441593

Dear Ms. Von Hofe:

We are pleased to inform you that no deficiencies were cited as a result of the recertification survey conducted at your facility on December 06, 2011. A copy of the survey is enclosed for your files.

Thank you for your cooperation during this survey. If this office can be of assistance to you in any way, please do not hesitate to call.

Sincerely,

Celia Skelley, RN, MSN
Public Health Nurse Consultant 2

CES/rm

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 12/08/2011
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441593	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 12/06/2011
NAME OF PROVIDER OR SUPPLIER CARIS HEALTHCARE			STREET ADDRESS, CITY, STATE, ZIP CODE 17410 HIGHWAY 64 SOMERVILLE, TN 38068		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
L 000	INITIAL COMMENTS This facility complies with all requirements for Hospice reviewed during the certification survey conducted 12/5/11 through 12/6/11. No deficiencies were cited.	L 000			

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.



TENNESSEE DEPARTMENT OF HEALTH
DIVISION OF HEALTH CARE FACILITIES
WEST TENNESSEE REGIONAL OFFICE
2975 Highway 45 Bypass, Suite C
Jackson, Tennessee 38305
Phone: (731) 984-9684
Fax: (731) 512-0063

February 03, 2011

Ms. Kim Brannon, Administrator
Caris HealthCare
5120 Telecom Drive, Suite B&C
Milan, TN 38358

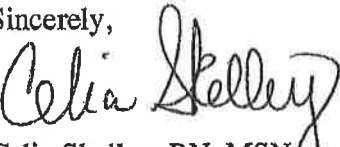
RE: Recertification Survey
CCN# 441588

Dear Ms. Brannon:


We are pleased to inform you that no deficiencies were cited as a result of the recertification survey conducted at your facility on January 24-25, 2011. A copy of the survey is enclosed for your files.

Thank you for your cooperation during this survey. If this office can be of assistance to you in any way, please do not hesitate to call.

Sincerely,


Celia Skelley, RN, MSN
Public Health Nurse Consultant 2

CES/rm


Enclosure

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 01/28/2011
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441588	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 01/25/2011
NAME OF PROVIDER OR SUPPLIER CARIS HEALTHCARE			STREET ADDRESS, CITY, STATE, ZIP CODE 5120 TELECOM DRIVE, SUITE B & C MILAN, TN 38358		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)		(X5) COMPLETION DATE
L 000	INITIAL COMMENTS This facility complies with all requirements reviewed for Hospice during the certification survey conducted on 1/24/2011 through 1/25/2011. No deficiencies were cited.	L 000			

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

COPY-

SUPPLEMENTAL-1

Caris Healthcare, LP

CN1210-047

NHC

NATIONAL HEALTHCARE CORPORATION

SUPPLEMENTAL

2012 OCT 15 AM 9:46

October 11, 2012

Via: Overnight Mail

Mr. Mark A. Farber
Assistant Executive Director
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

RE: Certificate of Need Application CN1210-047 (Supplemental/Additional Information for Caris Healthcare)

Dear Mr. Farber:

Enclosed please find the additional information to the above referenced CON application and supplemental request. This information has been submitted in triplicate.

If there are any questions, please do not hesitate to contact either Bruce Duncan or myself at 615-890-2020.

Sincerely,



Dere R. Brown
Health Planning Assistant

Enclosure

SUPPLEMENTAL

2012 OCT 15 AM 9:46
OMISSION REPSONSES

TO

CARIS HEALTHCARE CON APPLICATION

October 11, 2012

ATTN: MR. MARK FARBER, ASSISTANT EXECUTIVE DIRECTOR

1. Section C, Need, Item 1.a. (Project Specific Criteria-Hospice Services) (1.)

There appears to be some calculation errors in Columns "I" and "K" in the hospice need table. Please provide a corrected need table.

Please see attached corrected need table.

**Projected Need for Hospice Services Based on Resident Mortality Data
for Carls Healthcare, Somerville CON Application**

A Resident County	B 2010	C 2011	D Factor (a) (55% of Mean of B + C)	E Non Cancer Non Trauma Deaths			G	H Factor (b) (12% of Mean of E + F + G)	I Projected Need (D + H)	J Existing Service Levels From 2011 JAR	K Need or (Surplus) (J-I)
				2009	2010	2011					
Benton	61	65	35	174	147	168		20	55	88	(33)
Carroll	71	93	45	261	286	304		34	79	227	(148)
Chester	34	36	19	112	125	126		15	34	53	(19)
Crockett	32	39	20	140	128	127		16	36	59	(23)
Decatur	35	33	19	121	124	113		14	33	45	(12)
Dyer	89	82	47	317	295	313		37	84	183	(99)
Fayette	98	81	49	225	234	200		26	75	121	(46)
Gibson	147	149	81	437	485	480		56	137	335	(198)
Haywood	44	40	23	155	138	131		17	40	65	(25)
Hardeman	78	61	38	174	195	197		23	61	85	(24)
Henderson	61	66	35	210	227	214		26	61	107	(46)
Henry	117	103	61	315	295	302		36	97	171	(74)
Lauderdale	65	61	35	166	180	166		20	55	108	(53)
Madison	226	172	109	592	641	598		73	182	487	(305)
McNairy	82	64	40	216	256	223		28	68	114	(46)
Obion	82	98	50	282	240	286		32	82	188	(106)
Shelby	1,722	1,699	941	5,071	5,083	5,083		609	1,550	3,843	(2,293)
Tipton	118	136	70	342	324	328		40	110	189	(79)
Weakley	82	91	48	241	249	252		30	78	151	(73)
Area Total	3,244	3,169	1,764	9,551	9,652	9,611		1,153	2,917	6,619	(3,702)

Source: Tennessee Dept of Health, Division of Policy, Planning and Assessment, Office of Health Statistics 8/23/12

2. Section C, Need, Item 4

Your response to this item is noted please complete the following chart:

Geographic Area/Demographic Variable	Total Population-2012	Total Population-2016	Total Population-% change	Age 65+ Population-2012	Age 65+ Population-2016	Age 65+ Population-% change	Age 65+ Population as % of Total-2016	Median Age	Median Household Income	TennCare Enrollees	TennCare Enrollees as % of Total	Persons Below Poverty Level	Persons Below Poverty Level as % of Total
Benton													
Carroll													
Chester													
Decatur													
Dyer													
Gibson													
Henderson													
Obion													
Weakley													
Total Addition to Service Area													
State of TN Total													

Please see attached chart.

Geographic Area/ Demographic Variable	Total Population- 2012	Total Population- 2016	Total Population- % change	Age Population- 2012	Age Population- 2016	Age Population- % change	Age Population as % of Total 2016	Median Age	Median Household Income	TennCare Enrollees	TennCare Enrollees as % of Total - 2012	Persons Below Poverty Level	Persons Below Poverty Level as % of Total
Benton	16,726	16,922	1.17%	3,457	3,758	8.71%	22.21%	45.5	\$ 33,953	3,381	20.2%	2,932	17.6%
Carroll	29,843	30,345	1.68%	5,495	5,897	7.32%	19.43%	42.0	\$ 36,160	6,560	22.0%	5,808	19.6%
Chester	16,893	17,438	3.23%	2,460	2,707	10.04%	15.52%	36.2	\$ 39,915	3,425	20.3%	2,513	15.1%
Decatur	11,495	11,526	0.27%	2,321	2,480	6.85%	21.52%	44.3	\$ 30,445	2,449	21.3%	2,338	20.3%
Dyer	39,039	39,857	2.10%	5,747	6,386	11.12%	16.02%	39.3	\$ 36,856	9,389	24.1%	7,821	20.2%
Gibson	49,169	49,750	1.18%	8,523	8,973	5.28%	18.04%	39.9	\$ 35,947	11,041	22.5%	9,351	19.1%
Henderson	27,955	28,795	3.00%	4,169	4,627	10.99%	16.07%	39.7	\$ 38,887	5,977	21.4%	4,524	16.4%
Obion	32,747	33,111	1.11%	5,567	6,025	8.23%	18.20%	41.4	\$ 39,543	6,385	19.5%	4,861	14.9%
Weakley	33,906	34,247	1.01%	5,055	5,332	5.48%	15.57%	37.0	\$ 32,358	6,365	18.8%	7,334	21.7%
Total Addition to Service Area	257,773	261,991	1.64%	42,794	46,185	7.92%	17.63%	40.6	\$ 36,007	54,972	21.3%	47,481	18.5%
State of TN Total	6,361,070	6,575,165	3.37%	878,496	987,074	12.36%	15.01%	38.0	\$ 43,314	1,203,220	18.9%	1,033,668	16.5%

Source: Tennessee Population Projections, Department of Health Statistics
 US Census Bureau 2010 Demographic Profile Data, Median Age
 US Census Bureau 2010 QuickFacts by County, Median HH Income & Persons below poverty level
 Bureau of TennCare, TennCare Enrollment Data as of 6/15/12.

HISTORICAL DATA CHART

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in January.

	2009	2010	2011
A. Utilization Data (Specify unit of measure)	19,345	13,505	12,775
Pateint Days			
B. Revenue from Services to Patients			
1. Inpatient Services	\$ 61,246	\$ 105,887	\$ 23,824
2. Outpatient Services	2,299,727	2,002,643	1,713,000
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue	\$ 2,360,973	\$ 2,108,530	\$ 1,736,824
C. Deductions for Operating Revenue			
1. Contractual Adjustments	\$ (369,063)	\$ (213,169)	\$ (109,929)
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions	\$ (369,063)	\$ (213,169)	\$ (109,929)
NET OPERATING REVENUE	\$ 1,991,910	\$ 1,895,361	\$ 1,626,895
D. Operating Expenses			
1. Salaries and Wages	\$ 881,725	\$ 803,619	\$ 802,760
2. Physician's Salaries and Wages			
3. Supplies (Patient Related Expenses)	230,843	252,697	281,410
4. Taxes			
5. Depreciation	14,029	12,415	8,324
6. Rent	14,350	14,400	14,400
7. Interest, other than Capital			
8. Management Fees			
a. Fees to Affiliates (Home Office Allocation)	276,013	188,984	190,164
b. Fees to Non-Affiliates			
9. Other Expenses (Specify) See Attached Detail	154,665	119,355	138,754
Total Operating Expenses	\$ 1,571,625	\$ 1,391,470	\$ 1,435,812
E. Other Revenue (Expenses)--Net (Specify)			
NET OPERATING INCOME (LOSS)	\$ 420,285	\$ 503,891	\$ 191,083
F. Capital Expenditures			
1. Retirement of Principal			
2. Interest			
Total Capital Expenditures	\$ -	\$ -	\$ -
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES	\$ 420,285	\$ 503,891	\$ 191,083

**SUPPLEMENT TO HISTORICAL DATA CHART
ANALYSIS OF HISTORICAL OPERATING EXPENSES**

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Administrative & General	145,581	109,888	130,297
Utilities/Maintenance	9,084	9,467	8,457
TOTAL	<u><u>\$ 154,665</u></u>	<u><u>\$ 119,355</u></u>	<u><u>\$ 138,754</u></u>

Caris HealthCare, LP has a corporate office. Listed below is a description of the costs of the corporate office and how these costs are allocated to its hospice locations.

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Corporate Office			
Income	(7,891)	82,841	13
Salaries and Benefits	2,988,913	3,180,967	3,399,910
Rent	130,842	122,849	121,022
Other Administrative Expenses	1,661,885	1,358,571	1,473,782
Depreciation	251,620	216,569	297,288
Total Expenses	<u>5,033,260</u>	<u>4,878,956</u>	<u>5,292,002</u>
Net Corporate Office	(5,041,151)	(4,796,115)	(5,291,989)
Allocation Process			
Net Corporate Office	5,041,151	4,796,115	5,291,989
Total Days - All Locations	353,320	342,735	355,510
Corp Off Cost/Day	14.27	13.99	14.89
Somerville Days	19,345	13,505	12,775
Allocated Corp Cost	<u><u>276,013</u></u>	<u><u>188,984</u></u>	<u><u>190,164</u></u>

PROJECTED DATA CHART

Give information for the two (2) years following completion of this proposal.

	<u>Dec-13</u>	<u>Dec-14</u>
A. Utilization Data (Specify unit of measure)	Patient Day	
	<u>24,467</u>	<u>24,467</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>\$99,152</u>	<u>\$101,135</u>
2. Outpatient Services	<u>\$3,158,676</u>	<u>3,221,850</u>
3. Emergency Services	<u></u>	<u></u>
4. Other Operating Revenue (Specify)	<u></u>	<u></u>
Gross Operating Revenue	\$ <u>3,257,828</u>	\$ <u>3,322,985</u>
C. Deductions for Operating Revenue		
1. Contractual Adjustments	<u>\$ (130,409)</u>	<u>\$ (133,017)</u>
2. Provision for Charity Care	<u></u>	<u></u>
3. Provisions for Bad Debt	<u></u>	<u></u>
Total Deductions	\$ <u>(130,409)</u>	\$ <u>(133,017)</u>
NET OPERATING REVENUE	\$ <u>3,127,419</u>	\$ <u>3,189,968</u>
D. Operating Expenses		
1. Salaries and Wages	<u>\$ 799,358</u>	<u>\$ 815,345</u>
2. Physician's Salaries and Wages	<u>-</u>	<u>-</u>
3. Supplies	<u>384,525</u>	<u>392,216</u>
4. Taxes	<u>-</u>	<u>-</u>
5. Depreciation	<u>20,255</u>	<u>20,660</u>
6. Rent	<u>40,351</u>	<u>41,158</u>
7. Interest, other than Capital	<u></u>	<u>-</u>
8. Management Fees	<u></u>	<u></u>
a. Fees to Affiliates (Home Office Allocation)	<u>381,528</u>	<u>389,158</u>
b. Fees to Non-Affiliates	<u></u>	<u></u>
8. Other Expenses (Specify) - SEE ATTACHED SCHEDULE	<u>960,858</u>	<u>980,075</u>
Total Operating Expenses	\$ <u>2,586,875</u>	\$ <u>2,638,612</u>
E. Other Revenue (Expenses)—Net (Specify)	<u></u>	<u></u>
NET OPERATING INCOME (LOSS)	\$ <u>540,544</u>	\$ <u>551,356</u>
F. Capital Expenditures		
1. Retirement of Principal	<u></u>	<u></u>
2. Interest	<u></u>	<u></u>
Total Capital Expenditures	\$ <u>-</u>	\$ <u>-</u>
NET OPERATING INCOME (LOSS)	\$ <u>540,544</u>	\$ <u>551,356</u>
LESS CAPITAL EXPENDITURES	\$ <u>540,544</u>	\$ <u>551,356</u>

**SUPPLEMENT TO PROJECTED DATA CHART
SUPPORT FOR OTHER EXPENSES**

	<u>Dec-13</u>	<u>Dec-14</u>
Administrative & General	945,089	963,991
Utilities/Maintenance	15,769	16,084
TOTAL	\$ 960,858	\$ 980,075

Caris HealthCare, LP has a corporate office. Listed below is a description of the budgeted costs of the corporate office and how these costs are allocated to its hospice locations.

	<u>12/31/13</u>	<u>12/31/14</u>
Corporate Office Income		
Salaries and Benefits	3,554,224	3,625,308
Rent	125,947	128,466
Other Administrative Expenses	1,698,661	1,732,634
Depreciation	204,537	208,628
Total Expenses	5,583,369	5,695,036
Net Corporate Office	(5,583,369)	(5,695,036)
Allocation Process		
Net Corporate Office	5,583,369	5,695,036
Total Days - All Locations	358,056	358,056
Corp Off Cost/Day	15.59	15.91
Somerville/Milan Days	24,467	24,467
Allocated Corp Cost	381,528	389,158

4. Section C. Economic Feasibility Item 6.A.

Please explain why there was a significant decline in charges between 2012 and 2013 for the Hardeman, Haywood, McNairy, and Lauderdale table.

The 2012 charges for Hardeman, Haywood, McNairy and Lauderdale were incorrectly crossed with Fayette, Shelby and Tipton counties. Following are the corrected 2012 charges for Hardeman, Haywood, McNairy and Lauderdale counties.

Counties: Hardeman, Haywood, McNairy, Lauderdale

	2012	2013	2014 (estimation)
Routine	\$131.97	\$132.36	\$136.87
Continuous Care	\$770.20/32.09	\$772.49/\$32.18	\$798.83/\$33.28
Inpatient Respite	\$140.69	\$141.51	\$146.29
General Inpatient	\$592.84	\$595.20	\$615.40



STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY

500 Deaderick Street
Suite 850
Nashville, Tennessee 37243
741-2364

Date: November 28 2012

To: HSDA Members

From: Melanie M. Hill, Executive Director

**Re: CONSENT CALENDAR JUSTIFICATION
CN1210-047 – Caris Healthcare, L.P.**

As permitted by Statute and further explained by Agency Rule on the last page of this memo, I have placed this application on the consent calendar based upon my determination that the application appears to meet the established criteria for granting a certificate of need. Need, economic feasibility and contribution to the orderly development of health care appear to have been demonstrated as detailed below. If Agency Members determine that the criteria have been met, a member may move to approve the application by adopting the criteria set forth in this justification or develop another motion for approval that addresses each of the three criteria required for approval of a certificate of need.

At the time the application entered the review cycle on November 1, 2012, it was not opposed. If the application is opposed prior to it being heard, it will be moved to the bottom of the regular November agenda and the applicant will make a full presentation.

Summary—

Caris Healthcare, L.P. operates two separately licensed home care organizations providing hospice services in nineteen counties in West Tennessee. The applicant has applied for a certificate of need to consolidate the operations of the two agencies into one license by adding eleven counties currently served by its agency located in Milan (Gibson County) to the license of its Somerville (Fayette County) agency, which serves eight counties. Both agencies currently serve Madison County. The addition of these counties will not add additional capacity to the service area since Caris Healthcare will surrender the license for the Milan agency. There are currently six to ten hospice providers covering the nineteen county service area. Caris currently employs staff from 10 counties in Tennessee and 1 in Georgia to staff these two agencies. It is anticipated that future branch offices will be opened in the service area. The office in Milan will be retained as a branch office.

After the letter of intent was filed, Agency staff notified Caris Healthcare that it could accomplish the consolidation of the two agencies without having to obtain a certificate of need by having one agency acquire the other but Caris chose to go ahead with the certificate of need application instead.

Executive Director Justification -

Need- Need is demonstrated based upon the applicant's ability to continue to serve the population it presently serves.

Economic Feasibility-The only costs associated with the project are fees associated with the CON fee and legal and administrative fees. This will be funded through the cash reserves of Caris Healthcare, L.P. The consolidation will decrease administrative costs.

Contribution to the Orderly Development of Health Care-The project does contribute to the orderly development of health care since it appears the consolidation will reduce administrative costs without negatively impacting patient care. The consolidation will result in one less hospice provider in the area, which should decrease duplication of services.

I do recommend the following condition should the application be approved:

CONDITION: *The license for Caris Healthcare, Milan will be surrendered simultaneously with the addition of Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion, and Weakley Counties to the license of Caris Healthcare, Somerville.*

Based on these reasons, I recommend that the Agency approve certificate of need application CN1209-047.

Statutory Citation -TCA 68-11-1608. Review of applications -- Report

(d) The executive director may establish a date of less than sixty (60) days for reports on applications that are to be considered for a consent or emergency calendar established in accordance with agency rule. Any such rule shall provide that, in order to qualify for the consent calendar, an application must not be opposed by any person with legal standing to oppose and the application must appear to meet the established criteria for the issuance of a certificate of need. If opposition is stated in writing prior to the application being formally considered by the agency, it shall be taken off the consent calendar and placed on the next regular agenda, unless waived by the parties.

Rules of the Health Services and Development Agency - 0720-10-.05 CONSENT CALENDAR

- (1) Each monthly meeting's agenda will be available for both a consent calendar and a regular calendar.
- (2) In order to be placed on the consent calendar, the application must not be opposed by anyone having legal standing to oppose the application, and the executive director must determine that the application appears to meet the established criteria for granting a certificate of need. Public notice of all applications intended to be placed on the consent calendar will be given.
- (3) As to all applications which are placed on the consent calendar, the reviewing agency shall file its official report with The Agency within thirty (30) days of the beginning of the applicable review cycle.
- (4) If opposition by anyone having legal standing to oppose the application is stated in writing prior to the application being formally considered by The Agency, it will be taken off the consent calendar and placed on the next regular agenda. Any member of The Agency may state opposition to the application being heard on the consent calendar, and if reasonable grounds for such opposition are given, the application will be removed from the consent calendar and placed on the next regular agenda.
 - (a) For purposes of this rule, the "next regular agenda" means the next regular calendar to be considered at the same monthly meeting.
- (5) Any application which remains on the consent calendar will be individually considered and voted upon by The Agency.

**HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
DECEMBER 12, 2012
APPLICATION SUMMARY**

NAME OF PROJECT: Caris Healthcare

PROJECT NUMBER: CN1210-047

ADDRESS: 17410 Highway 64
Somerville (Fayette County), Tennessee 38068

LEGAL OWNER: Caris Healthcare, L.P.
9041 Executive Park Dr., Suite 212
Knoxville (Knox County), Tennessee 37932

OPERATING ENTITY: N/A

CONTACT PERSON: Bruce Duncan
615-890-2020

DATE FILED: October 2, 2012

PROJECT COST: \$5,500.00

FINANCING: Cash Reserves

REASON FOR FILING: Add Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley counties to the applicant's service area; upon approval, Caris Healthcare of Milan will surrender license and become a branch office

DESCRIPTION:

Caris Healthcare is a licensed Medicare and Medicaid certified home care organization offering hospice services. The applicant seeks authorization under **Consent Calendar Request** to consolidate two licensed offices located in the West Tennessee grand region into one existing licensed office. The applicant proposes to add the following counties to Caris Healthcare, Somerville (Fayette County) License 613: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley. If the CON is approved, Caris Healthcare Milan (Gibson County) will surrender license number 612 and

become a branch office of Caris Healthcare, Somerville. Caris Healthcare Milan is located at 5120 Telecom Drive, Suite B, Milan, Tennessee and is certified to serve Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Madison, Obion and Weakley counties. Caris Healthcare, Somerville and Caris Healthcare, Milan both share Madison County in their service areas. If this proposed CON is approved, there will be one less hospice provider licensed in Madison County. The applicant states there will be no net increase or change in the counties served as part of this CON request. Per the Project Completion Forecast Chart, the applicant plans to complete the consolidation of the two hospice agencies into one license in February of 2013.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

HOSPICE SERVICES

Need

1. Hospices shall have the capacity to admit new patients in a quantity equal to the sum of:
 - a. 55% of the mean annual number of cancer deaths in the hospice service area during the preceding two years; and
 - b. 12% of the mean annual number of deaths from all other non-traumatic causes in the hospice service area during the preceding three years.
2. New hospices shall be approved for Certificate of Need only if the projected need, as determined by this formula, exceeds existing service levels by 150 or more patients per year.

CON Review Criteria

1. The application shall document the existence of at least one of the following three conditions to demonstrate a need for additional hospice services in an area:
 - a. absence of services by a hospice certified for Medicaid and Medicare, and evidence that the applicant will provide Medicaid- and Medicare-certified hospice in the area; or
 - b. absence of services by a hospice that serves patients regardless of the patient's ability to pay, and evidence that the applicant will provide services for patients regardless of ability to pay; or
 - c. evidence that existing programs fail to meet the demand for hospice services for persons who have terminal cancer or other qualifying

terminal illness.

2. The applicant shall set forth its plan for care of patients without private insurance coverage and its plan for care of medically underserved populations. The applicant shall include demographic identification or underserved populations in the applicant's proposed service area and shall not deny services solely based on the patient's ability to pay.

Exception to the Hospice Formula

The applicant must demonstrate that circumstances exist to justify the approval of a new hospice. Evidence submitted by the applicant must document one or more of the following:

1. That a specific terminally ill population is not being served;
2. That a county or counties within the service area of a licensed hospice program are not being served; and
3. That there are persons referred to hospice programs who are not being admitted within 48 hours (excluding cases where a later admission date has been requested). The applicant shall indicate the number of persons.

If the need for the exception to the hospice formula is justified, then the review criteria above shall also apply.

According to the Guidelines for Growth Need Formula for Hospice Services, there is currently a 3,707 patient surplus in the applicant's nineteen (19) county service area. Since Caris Healthcare Milan (Gibson County) will surrender license number 612 and become a branch office of Caris Healthcare, Somerville, there will not be any impact on the current level of hospice services in the service area.

SUMMARY:

Caris Healthcare states that the primary reason for the proposed change is to consolidate its operations from two (2) separately licensed Hospice agencies into one license. The applicant states the proposed project will create operational efficiencies by reducing expenses without affecting services thereby strengthening the financial feasibility of the Caris Healthcare hospice agency.

Caris Healthcare (Fayette) is currently licensed to serve hospice patients in the following eight (8) counties: Fayette, Hardeman, Haywood, Lauderdale, Madison, McNairy, Shelby and Tipton. A copy of the current service area county map of Caris Healthcare, Somerville and Caris Healthcare, Milan and the

proposed service area is located in Section C-General Criteria-3, Service Area Map.

Per the partnership agreement dated August 4, 2003 that was submitted in the original application, Caris Healthcare, L.P., an active registered Tennessee partnership, is owned by the general partner, National Hospice, Inc. of Knoxville, Tennessee (1%), and two limited partners: NHC/OP, L.P., (74.6%) and Norman McRae, President/CEO (24.40%). Caris Healthcare owns/operates sixteen (16) hospice agencies in Tennessee, eight (8) in South Carolina and one (1) in Virginia. The applicant included a complete list of agencies owned by Caris on pages 25 and 26 of the application.

The State of Tennessee, Division of Health Care Facilities, West Tennessee Regional Office surveyed the Caris Somerville office on December 6, 2011, and the Milan office on January 25, 2011 with no deficiencies cited. Copies of the survey letters are located in the application in Section III-Contribution of Orderly Development, 7c.

The applicant indicates the need criteria are not applicable for consideration of this application due to the fact that the agency is not proposing to add any service area or services to its existing licensed hospice agency when one considers the surrender of the same requested counties from another license.

Based upon population information from the Tennessee Department of Health, the total population of the additional 9-county (Benton, Carroll, Chester, C rockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley) service area subject to this application is expected to increase by approximately 1.7% from 306,979 residents in 2013, including 43,632 residents age 65 and older (14.2% of total population), to 312,227 residents in 2017. The 14.2 percent 65 and older age cohort in the additional service area is slightly higher than the 14.1% Tennessee statewide average in 2013.

According to the Inventory and Utilization attachment provided with the application, the most recent 2011 JAR reported utilization of the applicant and 18 other licensed hospice providers in the proposed new 19-county service area for Caris Healthcare (Somerville) was 6,455 total patients served, including 3,761 Shelby County residents. The applicant's market share for both Caris Healthcare (Fayette) and Caris Healthcare (Somerville) during the 2011 JAR reporting period was approximately 6.3% of total patient volumes. Please note the following table:

Applicant's 2011 Utilization Compared to the Total Utilization of All Providers

County	Caris Healthcare (Gibson) Patients (CY2011)	Caris Healthcare (Fayette) Patients (CY2011)	# Licensed Hospice Agencies/total patients served (2011 JAR)
Benton	1	Not licensed	7 agencies/88 patients
Carroll	28	Not licensed	7 agencies/227 patients
Chester	3	Not licensed	7 agencies/50 patients
Crockett	4	Not licensed	7 agencies/59 patients
Decatur	0	Not licensed	7 agencies/37 patients
Dyer	103	Not licensed	7 agencies/183 patients
Fayette	Not licensed	41	10 agencies/221 patients
Gibson	36	Not licensed	7 agencies/335 patients
Hardeman	Not licensed	23	10 agencies/80 patients
Haywood	Not licensed	18	9 agencies/65 patients
Henderson	6	Not licensed	7 agencies/69 patients
Henry	4	Not licensed	6 agencies/171 patients
Lauderdale	Not licensed	38	9 agencies/108 patients
Madison	28	0	8 agencies/487 patients
McNairy	Not licensed	7	7 agencies/86 patients
Obion	24	Not licensed	5 agencies/188 patients
Shelby	Not licensed	13	9 agencies/3,761 patients
Tipton	n/a	2	9 agencies/189 patients
Weakley	29	Not licensed	8 agencies/151 patients
Total	266	142	6,455 patients

* 2011 JAR data was not available for Mercy Hospice licensed for Chester, Hardeman, and McNairy counties and Unity Hospice Care of Tennessee licensed for Decatur, and Henderson counties.

Per the Projected Data Chart, Caris Healthcare projects that it will provide 24,467 patient days of care resulting in a net operating revenue (NOR) of \$540,544.00 (\$127.82/day) in year one (2013) increasing by approximately 2% to an NOR of \$551,356 (\$130.37/day) in 2014. Medicare revenue is projected to average approximately 92.4% of total gross revenue from all payor sources in year one, followed by commercial insurance/other (4.4%) and Medicaid (3.2%). Expenses for Salaries and Wages represent \$799,358 in Year One, increasing 1.9% to \$815,345 in Year Two. The current staffing of Caris Healthcare Somerville is 11.5 FTE's which will increase to 24.5 FTE's in Year 2 of the proposed project when the Somerville and Milan office is combined. The applicant has provided

tables of the current staffing and proposed staffing in Year 2 of the project on pages 116 and 117 of the application.

According to the Historical Data Chart, the applicant realized favorable net operating income of \$191,083.00 on 12,775 total patient days for the fiscal year of financial operations ending 12/31/11. Review of the applicant's parent company Caris Healthcare, L.P. financial information revealed net income of \$16,436,213 for the 12-month period ending 12/31/2011.

The total estimated Project Cost is \$5,500 which includes \$2,500 for Legal, Administrative, Consultant Fees (Excluding CON Filing Fees) and \$3,000 for the CON filing fee. Funding for the project will be provided from cash reserves of the applicant.

The applicant has submitted the required corporate documentation, real estate lease and requisite demographic information for the applicant's proposed service area. HSDA staff has reviewed these documents. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency's offices at 500 Deaderick Street, Suite 850, Nashville, Tennessee 37243.

Should the Agency vote to approve this project, the CON would expire in two years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, denied or pending applications, or outstanding Certificates of Need for this applicant.

NHC Healthcare has financial interest in this project and others as follows:

Outstanding Certificates of Need

NHC Farragut, CN1111-049A, has an outstanding certificate of need that will expire on April 1, 2014. The CON was approved at the February 22, 2012 Agency meeting for the addition of 10 Medicare SNF nursing home beds to the currently operating 90 beds for a total of 100 nursing home beds. The estimated cost of the project is **\$141,900**. *Project Status: Project completed, approved by the Department of Health Office of plans and construction, and licensed (April 17, 2012). The submission of final cost report is outstanding.*

NHC Healthcare Tullahoma, CN1007-030A, has an outstanding certificate of need that will expire on December 1, 2013. The CON was approved at the October 27, 2010 Agency meeting for the relocation of CN0807-050A comprised of sixty (60) nursing home beds, and the addition of thirty (30) new Medicare certified nursing home beds for a total of ninety (90) nursing home beds from 30 Powers Ridge Road, Manchester (Coffee County), TN to a yet to be addressed site at Cedar Lane and Seventh Street, Tullahoma (Coffee County), TN. The additional thirty (30) nursing home beds are subject to the 125 bed Nursing Home Bed Pool for the July 2010 to June 2011 state fiscal year period. The estimated project cost is **\$14,449,438**. *Project Status: Project in progress: financing secured, site acquired, plans completed and approved by local code officials and THSDA, and under construction.*

The Health Center of Nashville, LLC, CN1107-024A, has an outstanding certificate of need that will expire on November 1, 2014. The CON was approved at the September 28, 2011 Agency meeting for the change of site and relocation of CN1002-007A for the construction of a 150 bed nursing home from 2816 Old Hickory Boulevard, Nashville (Davidson County), TN to an unaddressed site at the intersection of HWY 100 and Pasquo Road, Nashville (Davidson County), TN. The distance is 4.1 miles or nine (9) minutes travel time from the currently approved site to the proposed site. The project is not requesting more beds than originally approved and it will not affect the 2009-2010 Nursing Home 125 Bed Pool. The applicant proposes to certify 75 of the beds as Nursing Facility Level 1 (Medicaid only) and 75 beds as Nursing Home Level 2 (dually certified Medicaid/Medicare), which remains the same as the beds' present certification. The estimated project cost is **\$23,894,100**. *Project Status: Project in progress: Site under contract, Metro approved rezoning to allow NHC's project, engineered site plan in progress, and architectural plans under way.*

NHC HealthCare- Sumner, LLC, CN1108-029A, has an outstanding certificate of need that will expire on December 1, 2014. The CON was approved at the October 28, 2011 Agency meeting for the change of location of previously approved, but unimplemented CONs (CN0702-014AE and CN0808-057AE) for a total of ninety-two (92) bed nursing home to Unaddressed site on Nashville Pike near Kennesaw Blvd on Parcels 22.01 and 24.04 on Sumner County Property Tax Map 1.36, Gallatin (Sumner County), Tennessee. The estimated project cost is **\$17,902,991.00**. *Project Status: 11/28/2012. The Project is in progress: Progress delayed by seven months because the site's seller went into receivership and NHC had to work through the receiver to close the site acquisition on August 23, 2012. Infrastructure under construction, site plan approved November, 2011, final construction plans underway.*

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no Letters of Intent, denied or pending applications, or outstanding Certificates of Need for other health care organizations in the service area proposing this type of service.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME (11/15/2012)



LETTER OF INTENT

TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY: 44

The Publication of Intent is to be published in the Jackson Sun, Dyersburg State Gazette, Paris Post - Intelligencer, The Messenger which is a newspaper (Name of Newspaper)
of general circulation in Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley Tennessee, on or before October 10, 2012, for one day.
(County) (Month / day) (Year)

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Caris Healthcare (Name of Applicant) Hospice (Facility Type-Existing)

owned by: Caris Healthcare, L.P. with an ownership type of Limited Partnership and to be managed by: Caris Healthcare, L.P. intends to file an application for a Certificate of Need for: the addition of Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley Counties to Caris Healthcare, Somerville License Number 613 (Hospice) located at 17410 Highway 64, Somerville, TN 38068, in Fayette County. If the CON is approved, Caris Healthcare, Milan will surrender license number 612 and become a branch office with the Somerville license. Caris Healthcare, Milan is located at 5120 Telecom Drive, Suite B, Milan Tennessee. Caris Healthcare, Milan is currently licensed and certified to serve Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Madison, Obion and Weakley Counties, but would surrender its license if the proposed certificate of need were issued. Consequently, no net increase in counties served will be realized as part of this CON. Since both referenced Caris agencies have Madison County in their service area, with the surrender of the Milan license, one less hospice provider would be licensed in Madison County. No change to the existing Caris service area is being proposed. The estimated project costs is \$5,500.

The anticipated date of filing the application is: October 2, 2012

The contact person for this project is Bruce K. Duncan (Contact Name) Assistant Vice President (Title)

who may be reached at: National HealthCare Corporation (Company Name) 100 Vine, Street, 12th Floor (Address)

Murfreesboro (City) Tennessee (State) 37130 (Zip Code) 615 / 890-2020 (Area Code / Phone Number)
[Signature] (Signature) 09/21/12 (Date) Bduncan@nhccare.com (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

CERTIFICATE OF NEED
REVIEWED BY THE DEPARTMENT OF HEALTH
DIVISION OF HEALTH STATISTICS
615-741-1954

DATE: November 30, 2012

2012 NOV 26 PM 3: 57

APPLICANT: Caris Healthcare, L.P.
17410 Highway 64
Somerville, Tennessee 38068

CONTACT PERSON: Bruce K. Duncan, Assistant Vice President
National Healthcare Corporation
100 Vine Street
Murfreesboro, Tennessee 37130

COST: \$5,500

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Health Statistics, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's Health: Guidelines for Growth, 2000 Edition*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

The applicant, Caris Healthcare, located in Somerville Tennessee, seeks the consolidation of two home care organizations providing hospice services by adding eleven (11) counties currently being served by Caris Healthcare, Milan (Gibson County) license #612 to the service area of Caris Healthcare, Somerville (Fayette County) license #613. If this CON is granted, Caris Healthcare, Milan will surrender its license and become a branch office of Caris Healthcare, Somerville. The Summerville agency proposes the addition of Milan's counties which include Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Henderson, Henry, Obion and Weakley to its current existing services which already include Fayette, Hardeman, Haywood, Lauderdale, Madison, McNairy, Shelby and Tipton counties. No change to the existing Caris service area is being proposed. The project cost is estimated to be \$5,500.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

NEED:

The applicant's proposed service area includes those outlined in the table below with population projections for 2013-2017.

Service Area Total Population Projections for 2013 and 2017

County	2013 Population	2017 Population	% Increase/(Decrease)
Benton	16,779	16,945	1.0%
Carroll	29,970	30,451	1.6%
Chester	17,031	17,566	3.1%
Crockett	15,336	15,922	3.8%
Decatur	11,509	11,533	0.3%
Dyer	39,238	40,042	2.0%
Gibson	49,303	49,878	1.2%
Henderson	28,170	28,970	2.8%
Henry	32,834	33,392	1.7%
Obion	32,839	33,169	1.0%
Weakley	33,970	34,359	1.1%
Total	306,979	312,227	1.7%

Source: *Tennessee Population Projections 2000-2020, February 2008 Revision*, Tennessee
Department of Health, Division of Health Statistics

TENNCARE/MEDICARE ACCESS:

Caris Hospice care is accessible to patients eligible for Medicare, Medicaid, insurance and private funding payment sources are accepted by the agency. Patient payor mix for Caris Healthcare has been projected as follows for year one:

Payor	Amount	Percentage
Medicare	\$2,949,233	92.4%
Medicaid	\$ 101,135	3.2%
Commercial Insurance	\$ 139,600	4.4%
Other		0
TOTAL	\$3,189,968	100%

The table below illustrates TennCare enrollees in the proposed service area.

TennCare Enrollees in the Proposed Service Area			
County	2013 Population	TennCare Enrollees	% of Total Population
Benton	16,779	3,437	20.5%
Carroll	29,970	6,609	22.1%
Chester	17,031	3,428	20.1%
Crockett	15,336	3,437	20.4%
Decatur	11,509	2,594	22.5%
Dyer	39,238	9,490	24.2%
Gibson	49,303	11,167	22.6%
Henderson	28,170	6,117	21.7%
Henry	32,834	6,972	21.2%
Obion	32,839	6,392	19.5%
Weakley	33,970	6,315	18.6%
Total	306,979	65,958	21.5%

Source: *Tennessee Population Projections 2000-2020*, February 2008 Revision Tennessee Department of Health, Division of Health Statistics and *Tennessee TennCare Management Information System, Recipient Enrollment*, Bureau of TennCare

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:

In the Project Costs Chart, located on page 107 of the application, the applicant's total estimated cost is \$5,500 which includes \$2,500 for Legal, Administrative, and Consultant Fees and \$3,000 for the CON Filing Fee.

The applicant states that the proposed project takes two existing licensed hospice agencies and replaces them with one license, and that by doing so, economic efficiencies can control cost to the extent possible by making sure that patients utilize services at the lowest level and cost possible.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

This project is consistent with and supports a continuum of care that allows patients to live their final days of life in the least restrictive and least costly option available. By having the single license, costs are minimized and allow a palliative care path for end of life diagnoses. Caris has an outstanding history of recruiting, developing and retaining quality healthcare employees. They promote community involvement and have an established relationship with the University of Tennessee Nursing and Social Worker student training programs. Approval of this project will also allow Caris to operate more efficiently.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

HOSPICE SERVICES

Need

1. Hospices shall have the capacity to admit new patients in a quantity equal to the sum of:
 - a. 55% of the mean annual number of cancer deaths in the hospice service area during the preceding two years; and
 - b. 12% of the mean annual number of deaths from all other non-traumatic causes in the hospice service area during the preceding three years.
2. New hospices shall be approved for Certificate of Need only if the projected need, as determined by this formula, exceeds existing service levels by 150 or more patients per year.

Not Applicable: Caris Healthcare is an existing provider of hospice services which are accessible to all appropriately referred hospice patients. This application is to consolidate operations of two separately licensed Hospice agencies into one license.

CON Review Criteria

1. The application shall document the existence of at least one of the following three conditions to demonstrate a need for additional hospice services in an area:
 - a. absence of services by a hospice certified for Medicaid and Medicare, and evidence that the applicant will provide Medicaid- and Medicare-certified hospice in the area; or
 - b. absence of services by a hospice that serves patients regardless of the patient's ability to pay, and evidence that the applicant will provide services for patients regardless of ability to pay; or
 - c. evidence that existing programs fail to meet the demand for hospice services for persons who have terminal cancer or other qualifying terminal illness.

Not Applicable: Caris Healthcare is an existing provider of hospice services which are accessible to all appropriately referred hospice patients. This application is to consolidate operations of two separately licensed Hospice agencies into one license.

2. The applicant shall set forth its plan for care of patients without private insurance coverage and its plan for care of medically underserved populations. The applicant shall include demographic identification or underserved populations in the applicant's proposed service area and shall not deny services solely based on the patient's ability to pay.

Not Applicable: Caris Healthcare is an existing provider of hospice services which are accessible to all appropriately referred hospice patients. This application is to consolidate operations of two separately licensed Hospice agencies into one license.

Exception to the Hospice Formula

The applicant must demonstrate that circumstances exist to justify the approval of a new hospice. Evidence submitted by the applicant must document one or more of the following:

1. That a specific terminally ill population is not being served;
2. That a county or counties within the service area of a licensed hospice program are not being served; and

3. That there are persons referred to hospice programs who are not being admitted within 48 hours (excluding cases where a later admission date has been requested). The applicant shall indicate the number of persons.

If the need for the exception to the hospice formula is justified, then the review criteria above shall also apply.

Not Applicable: Caris Healthcare is an existing provider of hospice services which are accessible to all appropriately referred hospice patients. This application is to consolidate operations of two separately licensed Hospice agencies into one license.